

Mr Begin says his peace plan is open to negotiation

Mr Begin, the Israeli Prime Minister, saw Mr Callaghan for three hours yesterday and gave him details of the Middle East peace plan which he will present to President Sadat on Christmas Day. He said that his proposals were open to negotiation. At the same

time Mr Ezer Weizman, the Israeli Defence Minister met President Sadat in Ismailia and then held talks in Alexandria with General Gamassi, his Egyptian counterpart. They are thought to have discussed arrangements for electronic surveillance of Sinai.

Details given to Mr Callaghan

By David Spenser
Diplomatic Correspondent

Mr Begin, the Israeli Prime Minister, saw Mr Callaghan in London yesterday and gave him a full account, with maps, of his new Middle East peace plan, which he will present to President Sadat on Christmas Day. The plan is seen here as a constructive and imaginative approach towards a peace settlement for the Middle East as a whole.

At the same time Mr Ezer Weizman, the Israeli Minister of Defence, flew to Ismailia for a brief meeting with President Sadat. He then went to an air base near Alexandria for talks with his Egyptian counterpart, General Gamassi. It seems likely that the two defence ministers reviewed technical arrangements for electronic surveillance of Sinai in the event of an Israeli withdrawal. There was also speculation that the idea of a "hot line" between Jerusalem and Cairo was discussed.



Mr Callaghan and Mr Begin together at Chequers yesterday.

believed his proposals regarding the Palestinian Arabs on the West Bank would be seen as "just and fair and conducive to peace".

A point which his British hosts have made is that it would be wise to encourage those elements of Palestinian opinion, within the Palestinian Liberation Organisation in particular, which seem inclined towards a peaceful settlement. More widely, the feeling is that Saudi Arabia, Jordan and the Gulf states are, in spirit, in favour of President Sadat's peace initiative, even if they cannot say so openly, and that therefore Mr Begin's task is to convince Mr Sadat that he can satisfy Arab demands as a whole.

Mr Begin, repeating that he was seeking a comprehensive peace treaty, not just a settlement with Egypt, said of Syria's negative attitude that there was a precedent for it in the armistice agreement of 1949, which Syria signed only six or seven months later. A difference in timing was not an obstacle, he said. If Mr Begin can succeed in setting out acceptable proposals for the Israeli, the West Bank, the Middle East, the West Bank, and Jerusalem—the remainder, including the future

Jockey Club now favours state authority to control racing

By Marcel Berlins
The Jockey Club has told the Royal Commission on Gambling that it favours establishing a new national authority, responsible to the Home Office to supervise and control racing. In additional evidence to the commission, the club has reversed its previous view on the subject. In its main evidence it gave warning of the dangers of establishing such an authority and made clear its total opposition to it. Lord Howard de Walden, the senior steward, said yesterday: "We have, quite frankly, changed our minds."

The club, having at last perceived that the weight of evidence appears to be against Jockey Club dominance, is now seeking to retrieve the situation by putting forward its own proposals for controlling the industry under the thin guise of a scheme which appears to place control elsewhere.—Sir Desmond Plummer.

board, which supervises the collection of the betting levy from bookmakers and distributes the money for the benefit of racing, would be vested in the new authority. The levy would continue to be the main method of financing racing.

Sir Desmond Plummer, chairman of the levy board, said the proposals had many flaws, and it was hard to take them seriously. He complained about lack of consultation before the Jockey Club's new views were announced. He wondered whether "the club, having at last perceived that the weight

remain in charge of formulating rules, licensing trainers and jockeys, planning racing programmes, and matters of discipline. It wants one of the two Home Office nominees other than the chairman to be chosen to represent the views of those who make their living from racing and the other to be the chairman of the Racing Industry Liaison Committee. Lord Howard de Walden said that he did not believe that the proposals amounted to nationalisation of racing, nor did he think there would be any undue government interference if the new authority was established. The royal commission, which had asked the Jockey Club to make suggestions for a racing authority, and can thus be assumed to be seriously considering recommendations, its establishment, is not expected to report before the middle of next year. If it does so, and assuming that the Government agrees, the new authority is unlikely to be set up before 1980. Michael Phillips, page 9
Leading article, page 13

Jobless total falls as more young people find work

By David Blake

Unemployment fell this month in spite of the continuing depression in the economy, according to the Department of Employment. Figures for the seasonally adjusted total, excluding school leavers, dropped 5,700 to 1,371,000 (5.5 per cent of the total workforce) in December.

The crude unadjusted total for the whole of the United Kingdom was 1,480,822, including school leavers, which represents a fall of 18,272 from the November total of 1,500,000. The fall is almost entirely explained by a drop in the number of school leavers out of work. In Britain the number of unemployed school leavers declined in the month by just over 14,000 to 54,345. A further piece of good news is that the number of vacancies has risen on a seasonally adjusted basis to 1,060,000, some 7,000 more than in November.

Claim to No 2 role in alliance described as 'almost grotesque' by West German expert

From Patricia Clough
Rome, Dec 20

A leading West German defence expert alleged today that Britain's military and financial shortcomings had made it the weakest link in the Atlantic alliance.

It was "almost grotesque", Herr Adelbert Weinstein, the Defence Correspondent of the Frankfurter Allgemeine Zeitung, wrote today, that the British should strive to play the "big number two" in NATO while contributing so little to the alliance.

In a front page leading article, he pointed out that the United States, West Germany, Belgium and Norway, in particular, had increased their defence spending while "only Britain is holding out in splendid isolation on the lowest level of NATO commitments". "It is alarming how little

England does for NATO. There are no concrete English commitments which go beyond 1978.

London takes German subsidies (in the form of what is supposed to be the last off-set agreement) and its Army in the Federal Republic is out of date. "Its air fleet is becoming obsolete. The joint production of the new multi-purpose aircraft Tornado is lagging, they are going their own way on producing a flying early warning and control system. "Against this background it is almost grotesque how the British are bent, on the other hand, on playing the role of the big number two in NATO politics. And with success. They provide the conductors, the others the orchestra."

The Americans, he went on, were actually prepared to see Britain's decline in performance as the result of its "battle for survival as an industrialized nation". But that was only one aspect of the problem. "Strong groups which are against Europe and NATO are tying the English hands. The obstruction is gradually endangering the alliance."

Other countries, such as Canada and the Netherlands, which "like Britain have to practise financial abstinence, but who pay and improve their armed forces, notice that NATO reacts like a paper tiger to Britain's non-fulfilment of commitments. They are beginning to wonder how long they will be able to ask their parliaments for further sacrifices for Atlantic security."

The alliance should demand, at the very latest by its next ministerial conference in Washington in May, "strategic fairness from its once great military partner", Herr Weinstein concluded.

Fighting as fog adds to Heathrow crowds

Fist fights broke out among passengers at Heathrow last night as holidaymakers crowded all three terminals. In terminal three, travellers were forced to sit or lie on the floor because of delays to more than twenty flights after Monday's fog. Aircraft were delayed in returning to Heathrow and some departures were more than eight hours late. As frustration grew, fighting and jostling broke out among a small group of travellers in a queue for remaining seats on a flight to New York. A man died and seven people were injured in collisions in thick fog on the M62 yesterday covering two miles between Windy Hill, near the Lancashire border, and Old Lane, on the outskirts of Huddersfield.

Regular firemen turned out with four emergency tenders carrying cutting gear. The injured were taken to Huddersfield Royal Infirmary, where three of them were still denied last night. About forty lorries and cars were involved, also a mobile crane. Two people received severe leg injuries. Two lorry drivers were trapped for almost two hours. A 20 mph restriction signs in operation at the time of the crashes, the police said. "The fog was very thick. Traffic was just huddling up to the crash."

343 killed in Iranian earthquake

Teheran, Dec 20.—A severe earthquake hit south-eastern Iran early today, killing at least 343 people and injuring 247, officials said. Air Force transports and helicopters were ferrying doctors, medical supplies, food and tents to the survivors of the earthquake, which flattened several villages in rural Kermanshah province, 400 miles from the capital. The main tremor struck at 3.36 am (local time), driving people from their homes into the icy weather until daylight. The earthquake, which registered 6.2 on the Richter scale, was the third disastrous earthquake to hit Iran this year.

A spokesman for Iran's relief organization, the Red Lion and Sun, said the dead and injured came mainly from three villages situated near the earthquake's epicentre—Bab-Tawal, Chak and Sarabagh near Zardud town. He said that more than 150 injured had been taken by rail from Zardud to hospitals in Kermanshah, the provincial capital.—Renter.

Forecasts, page 2

'Today' may be dropped by Radio 4

By Our Arts Reporter

The BBC's early morning programme Today is likely to disappear from the radio schedules in the new year. Changes in the programme have led to a drop in its popularity and it is understood that a new programme of up to three hours will take its place. In London Today has been losing ground to the news and information service provided by the BBC's commercial rival, the London Broadcasting Company, BBC's commercial rival.

21 hostages held in bank raid

Mandalay, Dec 21.—A gunman took 21 people hostage today when his robbery attempt failed at a bank inside the American naval base at Subic Bay in the Philippines. He demanded a helicopter to fly him out of the base. Marines surrounded the bank as Philippines and United States military authorities began negotiating for the hostages' release.—Agence France-Presse.

Talks bring hope of end to bread dispute

By Christopher Thomas
Labour Reporter

Bakery workers' leaders emerged from 10 hours of talks with the employers late last night with an improved pay offer that could help to end the overtime ban that is disrupting bread supplies in England and Wales. The union and management leaders met at the offices in Westminster of the Advisory, Conciliation and Arbitration Service, Mr Samuel Meddow, general secretary of the Bakers, Food and Allied Workers, said the employers had improved their offer and it would be considered today.

An employers' official said he was hopeful of normal working by Christmas, but union leaders insisted that a national ballot was necessary to call off the action and that could not be completed until after Christmas. Earlier Mr Meddow, whose union of 57,000 members produces most of the bread eaten in England and Wales, had said there might be a total strike before Christmas unless the dispute was settled.

The overtime ban is causing serious shortages of bread in many areas as shoppers attempt to store supplies for the Christmas period. The Federation of Bakers maintained that there would be adequate supplies for everybody if there was no panic-buying. Private bakeries without union members are doing their utmost to cope with excessive demand but are restrained by the seasonal demand for fancy goods. Long queues have occurred in almost every district of England and Wales. Scottish bakers are exempt. The employers' negotiating team yesterday explained the poor financial state of the industry and insisted that, apart from breaching the Government's guidelines, the union's pay demand would have serious implications for the industry and consequently jobs. The union, which less than three months ago struck over a pay demand, appeared unwilling after yesterday's first talks session. Mr Meddow, a militant, said: "The employers are digging their heels in," and added: "If the employers were willing to pay the same as the minimum for bakery attendants, car park attendants and general labourers, I would settle on that."

The union wants a rise of a tenth on basic earnings, three days extra holiday, and consolidation of the phases one and two rises (£8.50 in most cases) to enable them to count for overtime work. The employers say that that would breach the Government's guidelines on earnings. The two sides consisted of eight from the union and six from the employers. The industry is excessively affected by a ban on overtime because it disrupts the link between the ending of one shift and the beginning of another, which is normally filled by overtime. That means that production has to be halted between shifts.

It was also decided to set up a liaison committee with members drawn from the Department of Health and the FBU. The committee, which will start work immediately, is to examine "problems and anomalies" arising out of firemen's claims for benefits. Mr Daniel Riddell, a national official of the FBU, said his members would take a lot of persuading that they were not being treated differently than other workers. He had agreed to the talks, he said, so that "reasonable guidelines" could be drawn up. He said that, because of the timing of the strike, firemen would be losing the tax rebate

Indonesia frees 10,000 prisoners

Indonesia released 10,000 political prisoners held without trial since the bloody but abortive communist coup 12 years ago. Another 20,000 political prisoners are to be released within two years. Those released yesterday had to swear allegiance to President Suharto's government. They were told that they should be free for questioning if and when it was considered necessary. Page 6

Walk in space round Salyut

Both Soviet cosmonauts ventured out of the Salyut orbiting laboratory and one, the civilian, went for a "space walk" to check if his docking devices were ship-shape after the previous aborted link-up. They were. Page 5

New mayor cuts pay rises

Mr Edward Koch, newly elected mayor of New York, has persuaded city councillors to cancel 50 per cent pay rises they were about to award themselves, and has thereby forfeited a big increase for himself. Page 5

Sahara hostages to be set free

Eight French hostages, held by Polisario guerrillas in the Western Sahara, will be escorted back to France by Dr Kurt Waldheim, Secretary-General of the United Nations, in time for Christmas, by agreement with the guerrillas. Page 5

Oil price rise of up to 8 pc urged

On the opening day of its conference in Caracas the Organization of Petroleum Exporting Countries has urged to increase oil prices by five to eight per cent and to donate the proceeds—between \$7,000m and \$11,000m—to help to pay the debts of Third World countries. Page 15

Two held after border shots

A couple were arrested by the Swiss police after two border guards had been shot and wounded. The Swiss police believe they resemble Willi Peter Stoll and Julius Plambeck, two of the 16 Baader-Meinhof terrorists sought in connection with the Schleyer murder in October. Page 4

1978 'crucial' for France

Next year would be crucial for the economic future of France, M Raymond Barre, the Prime Minister, told journalists in Paris. At least two more years were needed to beat the country's economic crisis. Page 4

Wealth tax: Sir Geoffrey Howe has condemned the Government's decision to go ahead with a wealth tax

Militant miners: The High Court is to give its decision today on a plan for an injunction restraining the NUM from negotiating pit-productivity deals. Page 2

Rome: The Pope, in a Christmas message, gives a password for peace for all children

Maunier: Mr Louis Untermyer Sport, pages 8 and 9
Hockey: England's manager Remond, page 12
Football: West Bromwich manager files to Saudi Arabia to discuss future. Page 2

Business News, pages 15-20

Stock markets: For the first time in more than a week the FT index gained ground, rising 9.8 for a close of 479.6
Financial Editor: Exchange controls in the melting pot; London: A changing picture; Disasters getting near to real growth
Business features: Peter Norman discusses the reaffirmation by West Germany of its faith in monetary targets
Business Diary: A new appointment at British Leyland in the wake of Alan Parker's departure



JOHN CLEMENT
CHAIRMAN, UNIGATE LIMITED

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Ban on benefits for firemen's families 'an error'

By a Staff Reporter

Mr Orme, Minister for Social Security, said last night that a circular about benefits for firemen's families sent to local offices of the Department of Health and Social Security was incorrect and had been withdrawn. He said that the circular families were not entitled to hearing allowances. Allegations have been made that the Government was using the department as a way of cutting benefit payments to the firemen. Mr Orme said the circular should have made clear that the allowances could be given in exceptional circumstances. As a result of his decision, an

80p a week hearing allowance will be given to Fireman George Watts, of Edmonton, north London, whose son suffers from leukaemia. He had been refused both the travel and hearing allowance for his son, who has regular hospital treatment. Mr Orme, accompanied by Professor David Donnison, chairman of the Supplementary Benefits Commission, and Mr Eric Deakin, the Under-Secretary of State responsible for social security, had a 90-minute meeting with representatives of the Fire Brigades Union (FBU) to hear complaints that the ministry was discriminating against firemen to force men back to work.

It was also decided to set up a liaison committee with members drawn from the Department of Health and the FBU. The committee, which will start work immediately, is to examine "problems and anomalies" arising out of firemen's claims for benefits. Mr Daniel Riddell, a national official of the FBU, said his members would take a lot of persuading that they were not being treated differently than other workers. He had agreed to the talks, he said, so that "reasonable guidelines" could be drawn up. He said that, because of the timing of the strike, firemen would be losing the tax rebate

of £25 for a married couple and £20 for a single person. He accepted that the law stipulated that the firemen would be excluded from the Chancellor's recent tax concession; but said that Mr Orme would be seeking the advice of other ministers as to how that difficulty might be overcome. Mr Riddell said that since the FBU had no strike fund, he hoped that ministry officials would no longer refuse any help to single people. Mr Orme said he had made his decision to show good faith in the matter of the hearing allowances and because there were other points which needed clarification. New union talks, page 2

HOME NEWS

Lancashire Chief Constable, 'unworthy to hold high office', is dismissed

From John Charters, Preston

Lancashire Police committee, which yesterday dismissed its chief constable, Mr Stanley Parr, is to consider allegations involving other officers in the 3,000-strong force next year.

That was stated yesterday by Committee Chairman Frank Lofthouse, the chairman, after he had announced that Mr Parr, aged 60, a policeman for 40 years, a wartime naval officer, a CBE and a deputy lieutenant of Lancashire, had been dismissed after 24 charges of disciplinary conduct and two of false hood under police discipline regulations had been found proved by a tribunal.

A total of 37 disciplinary charges were considered by the tribunal headed by Mr Patrick Bennett QC, who, after referring to Mr Parr's previous honourable record, stated: "Nevertheless, it has been my duty,

helpful though it is, to find that he used the powers of his position to show favour to others and made improper use of police vehicles and drivers.

He was responsible for falsification of records. This conduct has had a very damaging effect upon the morale and discipline of the force he commanded and has brought discredit to that force.

I do not think that Mr Parr was worthy to hold the high office that he did. I feel that nothing short of dismissal from the force could be regarded as adequate punishment for the charges I have found proved.

Mr Parr has three weeks in which to appeal to the Home Secretary. He said last night that he would do so. Until then no moves will be made to appoint a permanent successor, Mr Lofthouse said yesterday.

Mr Parr was suspended on full pay in March this year.

Mr Lofthouse said action against other officers in the force had not been considered during yesterday's three-hour meeting but references to other matters that had been made in an earlier report by Sir Douglas Osmond, Chief Constable of Hampshire, after an inquiry into Mr Parr's behaviour, would have to be considered by his committee next year. He saw no reason, however, why any serving officers of the Lancashire Constabulary should at this stage want to resign.

He thought the Home Secretary would refer any matters arising out of the tribunal report to the Director of Public Prosecutions if he thought it to be necessary.

One of the matters referred to in the original report by Sir Douglas Osmond that was not referred to Mr Patrick Bennett's tribunal concerned a fatal accident near Blackpool in 1975 when a car driven by a girl of 20 mounted a pavement and killed two young mothers. The driver of the car was charged only with careless driving and acquitted. Several weeks later the matter reopened.

Mr Parr declined an invitation to attend yesterday's meeting of the police committee. Mr Michael Maguire, QC, his senior legal adviser, was away appearing in a local murder trial but Mr James Wilde, Mr Parr's solicitor, and junior counsel were present. They unsuccessfully applied for a decision to be postponed until January 6.

This full report of the tribunal, issued to reporters yesterday, showed that 29 of the charges, 37 charges related to the misuse of police drivers and of two police cars, a Jaguar and a Vauxhall, with which Mr Parr was issued to carry out his official duties.

Some of the charges proved showed that Mr Parr used the Jaguar and a police driver to take him and his family to Manchester airport en route for a holiday in Torremolinos, Spain, in 1975 and 1976 and collect them on return; that he drove the Jaguar to visit his son in Bristol; that he used a police car to attend Rotary lunches in Blackpool and to take his wife shopping there.

One of the charges of falsehood proved by the tribunal stated that he instructed a police driver who had noted a speedometer discrepancy to book mileage on the Vauxhall car down to visits to various divisions when Mr Parr had, in fact, used the car to drive to Luton airport for a holiday in Spain.

Other charges related to his having arranged bail for a Blackpool man who had been charged with malicious wounding and who should have been detained in custody overnight because of the nature of the charge; and of wronging for a driving prosecution to be dropped against a young man who had said his father was "on holiday in Tenerife with Stanley Parr".

No sense of disgrace: Mr Parr in a television interview last night called the tribunal's findings nonsense. He said they did not really surprise him.

He did not feel any sense of disgrace. "I have not done anything criminal," he added.

He also said he was sad that he had received no encouragement

Detective's complaint led to inquiry

The case against Mr Parr began in July, 1976, when a Blackpool officer, Det Sergeant Barry Roby, made a formal complaint to an inspector of constabulary during a routine annual inspection of the Lancashire force.

The following September Lancashire Police Committee asked Sir Douglas Osmond, Chief Constable of Hampshire, to conduct an inquiry into "certain matters within the personal jurisdiction of the chief constable".

Sir Douglas and a small team of officers from his own force spent about two months on the inquiry and a report went to County Hall, Preston, early in January, a copy having, after being sent to the Director of Public Prosecutions.

To the chair of Mr Frank Lofthouse, chairman of the police committee, full details of its contents appeared in the Lancashire Evening Post on February 25 in spite of steps having been taken to keep the matter out of the public eye.

That report, later repeated in a number of national newspapers, disclosed that Sir Douglas had found evidence of a case in which a man was accused of possessing firearms with intent to endanger life, in which Mr Parr intervened to suggest that the charge should be reduced to one of breach of the peace.

Other matters referred to included allegations that Mr Parr had intervened in cases involving motorists stopped for speeding in radar traps, some of



Mr Parr: Three weeks in which to appeal.

whom were only cautioned while others were fined.

Sir Douglas's report, according to the unredacted but factually unchallenged disclosures in the Lancashire Evening Post, made references to Mr Parr's close connections with Blackpool, where he was chief constable of the small local force before a reorganization drew him into the expanded Lancashire Constabulary.

One of the most serious cases referred to in Sir Douglas Osmond's report involved a motorist who was about to be charged with causing death by dangerous driving but was eventually accused only of

careless driving. His case was dismissed by magistrates.

Sir Douglas also drew attention to police charity dinners organized by Mr Parr and involving police members. His report said: "Even should the complaint be capable of a complete answer by the chief constable, it is not surprising that it has been made, for whatever happens the result as a whole indicates a lack of judgement on the part of the chief constable, a failure to communicate, and a lack of concern at the impression he was creating, all of which are most unusual in a senior police officer."

A fortnight before the hearing of the disciplinary charges began on October 17 Mr Parr applied to retire (he was 60 in July) but his request was refused. He had been suspended on his full pay of £15,500 a year since March last.

Mr Parr, the son of a policeman, began his career as a constable on the beat, and was in charge of the Lancashire force of three thousand men for five years until his suspension early this year.

After serving as chief constable of the independent Blackpool county borough force he was absorbed into an expanded Lancashire Constabulary in an ancient reorganization. He became Chief Constable of Lancashire when the force was again reduced in size after the 1974 local government reorganization which put many of the old county boroughs into the new Greater Manchester Council.

Unions to give PO board names this week

By Our Labour Staff

Mr Vawley, Secretary of State for Industry, later this week will receive union nominations for places on the main board of the Post Office, which is being reconstituted in a two-year experiment in industrial democracy.

The unions are being allocated seven seats each, but it is clear whether they will all be taken up by the due date, January 1, because of difficulties still outstanding on the regional boards.

The main difficulty is on the five regional telecommunications boards. The Civil and Public Services Association, which has 30,900 members in the telecommunications side of the Post Office, has been offered two seats. So has the Post Office Engineering Union, the biggest telecommunication union.

Birching: judge invited to IoM

The nine judges who will try the case of Man's birching laws in the European Court of Human Rights have been asked to go to the island to see how birching works. The Manx authorities believe that that would swing the case in their favour.

The Manx Government said yesterday that it was unlikely that the judges would make a decision immediately after the hearing which starts in Strasbourg on January 17. They had been invited to visit the Isle of Man before deciding on their final verdict.

Three accused of robbery plot

Two security guards charged in connection with a £820,000 robbery at Heathrow were remanded in custody by magistrates at Staines yesterday. They are John William Cardona, aged 31, of Ocean Street, Staines, and Ronald Henry Price, aged 32, of Jellicoe Way, Braintree.

Another man, Robert Goldstein, aged 67, of Bulwer Court, Leyton, was released on bail. All were charged with conspiring to rob Brinks-Mat Ltd. last March.

£5,371 rates unpaid

Gerald Howard, of Victoria Terrace, Hove, Sussex, former director of Local Aid, Sussex charity, was jailed for 82 days by magistrates at Brighton yesterday for non-payment of £5,371 rates on the charity's offices and shops.

Trench death

A workman was killed yesterday when a trench collapsed on him in Upper Haling, near Rochester, Kent.



A turn-up for the gulls during winter ploughing at the Preshaw Estate, near Southampton.

Food firms oppose rapid rise in farm prices

By Hugh Clayton

Food companies said yesterday that they opposed any rapid rise in farm prices and incomes to the type sought by the Conservatives. A Commons motion by Mr John Peyton, chief spokesman on farming and food, urged an early 74 per cent devaluation of the green pound. It would raise food prices by almost 2p in the pound.

The companies said through their leading trade associations that there was no case for such a large rise. Mr Cyril Coffin, director-general of the Food Manufacturers' Federation, said: "No evidence that United Kingdom farmers generally are likely to cut back production or used an increase in their

incomes after the near-record harvest."

The Food and Drink Industries Council said it wanted the anomalies arising from the existence of the green pound to be eliminated gradually.

"Food and drink manufacturers want a higher proportion of their supplies of farm produce to be grown in this country," the council said. "But they see no point in governments encouraging farmers to grow products that cannot be sold."

The statements reflect alarm among food companies that if farmers' demands for higher prices are met food consumption will fall even faster than it is falling now.

Bird lovers protest at island mink farm plan

From Ronald Faux, Kirkwall

Mr George Drever's efforts to return with his family to the island of Westray, Orkney, where he was born, have provoked a public inquiry and strong protests from conservation groups.

Mr Drever, aged 36, wants to build a mink farm on the island, which is Britain's second most important site for cliff-nesting sea birds. The mink is an agile and tenacious killer, which, the conservationists say, would decimate the island's bird population should a breeding pair escape.

Mr Drever, who works at a fish-processing factory on Westray, was given permission to build his mink farm by Orkney Islands Council after giving assurances that extra precautions would make the buildings escape-proof. Yesterday, after protests from the Nature Conservancy Council, the Royal Society for the Protection of Birds and other conservation groups, Mr Millan, Secretary of State for Scotland, announced that a local public inquiry would be held.

For Mr Drever the issue is not the hazards of mink farming but the difficulty of earning a living on a remote Orkney island.

My father was postmaster here but the whole family left when I was a boy so that my brother and I would have a better chance," he said. "I am very fond of the island and want to bring up my two sons here. The farm would mean jobs where they are badly needed."

Mr Drever admits that he has no practical experience of farming mink but is prepared to spend £5,000 on the project. He says his farm will have high mesh fences dug deep into the ground and other security measures beyond those demanded by law.

Mr Frank Hamilton, Scottish director of the RSPB, was worried, however.

An escaped breeding pair would spread to neighbouring islands, preying on Arctic terns, herring gulls, merlin falcons and short-eared owls, he said.

Jubilee fund's £13.5m

The Queen's Silver Jubilee Appeal which closes in April, has raised £13.5m in eight months. Of that sum, £7.2m has been received and the rest will be payments under covenant or pledge.

In brief

Journalists go back to work

London-based journalists employed by Westminster Press, who stopped work in connexion with the strike by 106 Darlington-based members of the National Union of Journalists, returned to work yesterday morning (our Labour Reporter writes).

But the strike committee in Darlington, meeting yesterday, remained adamant that the strike, which has lasted more than six months, would continue. A meeting with management is likely soon, but no one is optimistic about an early solution.

Murder charge

Robin Daniels, aged 32, a taxi driver, of Walnut Tree Close, Guildford, was remanded in custody until December 29 by magistrates at Guildford yesterday, charged with the murder of Brian Vaughan, aged 19, of the 1st Battalion, The Parachute Regiment, who died from stab wounds early yesterday.

Bail for doctor

Dr Nanda Kumar, aged 31, of Stepping Hill Hospital, Stockport, Greater Manchester, was granted bail of £50 by a judge in chambers at Manchester Crown Court yesterday. He is to appear today against a six-month jail sentence for indecently assaulting a girl of 13.

US mail delayed

Surfing mail affected by a dock strike in America will not reach Britain in time for Christmas, the Post Office said yesterday. No surface mail has been received from the United States since the two-month strike ended on November 29.

Probation for incitement

Harry Baskind, aged 56, of Leeds, who was convicted in July of inciting a detective, posing as a professional killer, to murder his wife, was placed on probation for three years at Birmingham Crown Court yesterday.

Islanders win order

Families living on houseboats at Taggs Island in the Thames yesterday won a High Court order banning tomorrow's shopping Richmond council from closing the only bridge to the river bank.

Liftmen to go back

A two-month-long strike of 240 lift and escalator men on Merseyside was called off yesterday when they voted to return to work this morning.

'Odious task' of judge in jailing wife-killers

Two mentally ill men who killed their wives were given prison terms at the Central Criminal Court yesterday after Mr Justice Melford Stevenson had been told that there was no suitable hospital accommodation for them. The judge spoke of the odious task he had in sending the men to prison for long periods.

Jailing one man for 10 years and the other for seven, he said: "I hope at least these cases will serve a useful purpose by drawing public attention to that melancholy fact."

Ronald Gadsdon, aged 43, a dockworker, of Lamborn Road, East Ham, London, admitted the manslaughter of his wife, Beryl, aged 37, on May 20, on the ground of diminished responsibility.

His plea of not guilty to murder was accepted.

Dr Arumugam Palam said Mr Gadsdon was mentally ill. He needed treatment in a psychiatric hospital under secure conditions, but there was no suitable accommodation.

In the second case, Cleveland Perkins, aged 42, unemployed, of Hubert Grove, Brixton, pleaded not guilty to the murder of his wife, Daphne, aged 40, on May 24, but guilty to her manslaughter on the ground of diminished responsibility; that plea was accepted.

Dr Henry Oakley said that after hospital treatment of about two years he thought Mr Perkins would be able to return to normal life. The kind of accommodation required did not exist.

Scottish Arts Council faces financial level-pegging

By Our Arts Reporter

A year of artistic enterprise was yester by administrative and financial uncertainty, the Scottish Arts Council says in its annual report.

It gave a warning that it has a difficult choice: whether to try to sustain all clients at existing levels of activity, refusing new activities and subsidising enterprise; or finance a few new activities at the expense of existing ones.

"From recent pronouncements and long-term estimates it is now clear that the council can expect no increase in its allocation in real terms for the next few years."

The implications of 'level-pegging' in real terms are serious and sobering. First, the assumptions on which such a guideline is based presumably mean that government allocations to the arts will keep pace with the rate of inflation in the arts, not in some inappropriate index.

Second, grants from the Government to the council are only part of the total income. Expenditure equated of client organizations, so even if these grants retain their value in real terms, artistic organizations will remain viable only if income from box-office earnings, local government and the

Many jailed for customs offences

By Maurice Corina, Industrial Editor

Tough measures adopted by the Department of Customs and Excise to cope with a continuing increase in smuggling, drug offences, illegal currency movements and value-added tax "fiddles" are putting an average of eight people in prison every week. More than 400 people every week appear in court on criminal charges.

Those figures emerged yesterday with publication of the annual report of the Commissioners of Customs and Excise. Exchange control currency offences alone involved 4,478 people in criminal proceedings in the year ended March 31 last, nearly matching the number taken to court for failing to furnish VAT returns.

Smuggling, however, still tops the league table for offences, with 10,388 persons brought in before courts in the 12 months to March for evading duties. A total of 384 people were jailed out of 708 subject to drug-related criminal proceedings.

There were 1,535 seizures of drugs such as cannabis, cocaine, and heroin, with an estimated street value of £13.8m.

Detections of smuggled jewellery, gem stones and objects d'art are reported to be continuing on a large scale. Goods seized for contravention of import licensing regulations covered everything from textiles, gold coins, to potatoes, pottery, and skins restricted for conservation reasons. More than 370,000lb of Rhodesian tobacco was intercepted.

Fifty-five people were in court for contravening the laws on indecent or obscene articles and harmful publications. The year's haul included 158,750 books, magazines and comics, 3,400 films, and 6,800 other articles.

Last year's decline in the value of the pound sterling provided "a continuing incentive" to smuggle money out of the country, largely for buying foreign property or securities, or for deposit in foreign bank accounts. Currency seizures totalled 4,478, and officers, now checking travellers on a selective basis, largely by examining a close liaison with the Treasury to bring joint charges under the Customs and Excise Act, 1952, and the Exchange Control Act.

Besides many seizures of goods undervalued in declarations when imported, the customs have also dealt with cases of exports, such as ferrous scrap, which breached various prohibitions.

VAT prosecutions remain high, largely through failures to make returns. All but five of 4,023 prosecutions were successful in the past year. There were 1,426 cases in the previous year.

Under civil litigation, 3,108 actions were brought to recover unpaid or disputed duties and taxes, a big rise of 1,200 on a year before. In addition 269 bankruptcy petitions and 421 winding-up petitions were presented.

Goods seized under separate forfeiture regulations as improperly imported included 3,297 proof gallons of spirits, 1,795 watches, and 4,475 kg of drugs.

All that enforcement work and more routine administration pushing up the cost of customs and excise services to £191.4m against £174.2m a year before. That represents about 1.76p for every £1 of net revenue.

The net receipts of the Customs and Excise Department in the year ended March 31, were £10,886.4m, up by more than £1.6m, or 47.7 per cent, and representing a third of central government taxation.

A long, hot summer scuttled the volume of beer consumption to a level higher than in any year since the First World War and changes in the tax structure for tobacco stimulated sales of king-size cigarettes in a way that contributed to increased overall consumption of tobacco.

68th Report of HM Customs and Excise (Cmd 7050, Stationery Office; £3.15).

£30,000 for Scots production

The Glasgow-based Scottish Amicable Life Assurance Society announced yesterday that it is giving £30,000 for the sponsorship of a new production by Scottish Opera, The Bartered Bride, which is to have its premier at the Theatre Royal on February 8.

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Some Science for Christmas!

Was Francis Bacon the daddy of sci-fi? What do you know of scientific folklore. This year *New Scientist* offers some highly variegated fare in its Christmas Miscellany. Inevitably wine features large on the menu - but of unusual vintage, some of it indeed stemming from Antiquity, some Alternatively Technological, and the whole balanced by dire warnings about the realities of our seasonal, but mediaeval, guzzling. We hark back to a time when science was fun; and to another when the scientific jet-set pranced around in Soho. There is the sad tale, too, of the crank (for what else could he have been?) who claimed to have invented the two-wheeler. Some prominent men of science deliberate on memorable books; a Christmas crossword awaits the unquenchable intellectuals among our readers - and, for the obtuse, we have De Selby...



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HOME NEWS

Social trends, 2: Changes in wealth, income and expenditure

Tax on rich would net only 105,000 adults

By Annabel Ferriman

Labour Party proposals to introduce a wealth tax, published yesterday, are unlikely to affect more than two or three adults in a thousand.

The latest volume of Social Trends, produced by the Central Statistical Office, shows that about 105,000 people, or only 0.25 per cent of the adult population, have assets of more than £100,000, the proposed starting level of the tax.

The distribution of personal marketable wealth is very much less than that of personal income, Social Trends states.

In 1975 the wealthiest 5 per cent of the population owned between a third and half of the country's wealth, estimated at £130,300m. Their share amounted to between £33,000m and £95,000m. But the trend is towards greater equality.

The proportion of wealth owned by the richest 5 per cent has been falling since 1961. The most extreme estimate puts the proportion at 64 per cent in 1961, 59 per cent in 1966, 53 per cent in 1971 and 51 per cent in 1974.

The figures show that by far the largest part of Britain's wealth was in dwelling (43 per

cent), followed by life policies (15 per cent), building society deposits (7.5 per cent), listed ordinary shares (5.4 per cent) and land (4 per cent).

The increasing amount taken from incomes by tax and inflation is dramatically illustrated. The figures show, for example, that the pay of the bottom 25 per cent of male manual workers, after allowing for deductions, increased between 1970 and 1976 by only £2 a week, from £18 to £20 (at 1970 prices). For the top quartile it increased from £25 to £27 a week.

The largest percentage increase in "take home" pay for the population as a whole was in 1972, when it rose by almost 8 per cent. The change was much greater than in 1974 or 1975, the years of the biggest increases in gross pay. Real disposable income rose by only 2 per cent in 1974 and fell slightly in 1975.

The average gross weekly earnings of manual workers rose from £27 in 1970 to £35 in 1976; non-manual workers' pay rose from £26 to £32 in the same period.

Income from rent, dividends and net interest fell as a pro-

portion of total income from 11.4 per cent in 1966 to 9 per cent a decade later. Income from social security benefits rose in the same period from 7.7 to 9.5 per cent.

The proportion left for spending in the same decade fell from 74 per cent to 64 per cent but the proportion of income paid in taxes rose from 12 per cent to 16 per cent. National insurance contributions rose from 5.7 per cent to 7.6 per cent.

The figures illustrate the poverty trap, the point at which any increase in pay for low-wage earners is wiped out by a reduction in benefits. In some cases the worker even loses a little.

Over the range of earnings from £32 to £44 a week, for example, for a married couple with two children and the wife not working, there could be no benefit from a rise or the family could even lose. Between £44 and £60, the family could still gain less than 50p a week for every extra pound earned.

Spending patterns on food between 1970 and 1976 showed a distinctly unhealthy trend. Spending on meat, fish, bread and cereals fell, and spending

on sugar, preserves and confectionery rose.

There was a 40 per cent increase in spending on alcohol, a 27 per cent rise on beverages, but a 2 per cent drop on tobacco spending.

A 76 per cent increase in spending on radio and electrical goods between 1970 and 1974 was mainly due to sales of colour television sets. Last year for the first time there were more colour sets sold than black-and-white and now there are 10 million colour sets and eight million black-and-white.

The money spent on renting television sets between 1970 and 1976 more than doubled, while spending on admission to cinemas, theatres or spectator sports rose by only 15 per cent.

Although spending on magazines and newspapers in that period dropped by 12 per cent, the United Kingdom still bought more newspapers than almost any other country except Japan.

Great Britain had fewer households (53 per cent) owning cars than Italy and Belgium (both 68 per cent), France (65 per cent), Holland (63 per cent) and West Germany (61 per cent).

Next: Health

Children Act defended by county

By a Staff Reporter

There is no evidence suggesting that the Children and Young Persons Act has been responsible for a general breakdown in law and order among young people, a report by Warwickshire social service department states.

The report, *Youngsters in Court*, says that no "major significant" trends can be attributed to sections of the Act now in force, especially those concerning care and supervision orders. It should reassure those who feared that the increased discretion it gave to local authorities in dealing with young people would lessen discipline and retribution.

An examination of 1,070 young people on whom care or supervision orders were made in the county between 1971, when the main provisions of the Act were introduced, and 1976, concluded that a care order after an offence was significantly less likely to be reconvicted within a year than those on a supervision order.

The reconviction rate among young people on care orders varied from 7 per cent in 1971 to 17 per cent in 1975, compared with 31 per cent and 28 per cent for local authority supervision orders and 31 per cent and 34 per cent for probation supervision orders. The combined reconviction rate for all three categories was "fairly stable" over the period.

The report says there was no evidence in Warwickshire that because of the Act courts were by-passing the social agencies and making more use of the penal system instead.

The investigation also found that the use of borstal sentences for those aged 15 or 16 continued throughout the period, although the intention of the Act was to phase them out for this group.

However, juvenile courts and Crown Courts made much less use of detention or borstal sentences in cases where a care or supervision order had not already been tried, the report says.

Lecturer jailed for contempt

Ernest Leonard Tibbitts, aged 64, a Leeds University lecturer, was jailed at Leeds Crown Court yesterday by Judge Beaumont for four weeks for contempt of court after he had tried to walk out from his trial.

Mr Tibbitts, of West Park Grove, Leeds, refused to enter a plea on a charge of damaging a wall. The case was adjourned sine die.

Detective to move

Det. Chief Supt Jack Slipper, of Scotland Yard, who went to Brazil to try to bring back Mr Ronald Biggs, the train robber, is being moved to a uniformed post at Ruislip, west London.

From diplomat to Mastermind

By Kenneth Gosling

Sir David Hunt, former British Ambassador to Brazil, was challenged by his younger son, Richard, to take part in BBC television's *Mastermind*, instead of shouting out the answers as he watched the programme at home. He did take part and won last night's final with a record score.

The programme, the hundredth in the series, was described by Mr Bill Wright, its producer, as "electrifying; the best final I have ever had".

Sir David gave 17 correct answers to the 19 questions on his specialist subject, the Roman revolution. He answered all 20 general knowledge questions correctly.

Any opponent man should get the right answers, Sir David said after the recording of the final at Guildhall, London. The final thing was the right psychological preparation. He had received that from the show's producer after a disastrous first round in which he came third but managed a place in the



Sir David. Record replies.

special semi-final for the best runners-up.

He answered questions in that early round on the Allied campaigns in North Africa. "I knew all the answers but I was

astonished to hear the replies I was giving. I thought I had got off my head."

Since then he had learnt to concentrate on his questioner's words. He did well in the next round, with questions on the Allied Forces in Italy. He may also have been helped by the fact that, the day before the recording, he was in Paris for a television debate on the same subject.

There he joined experts from France, Italy and the United States. "We gassed away for three solid hours," Sir David said.

In the final, his sixth *Mastermind* appearance, he chose his specialist subject in homage to Sir Ronald Syme, OM, his tutor at Oxford in 1936 and author of *The Roman Revolution*, which traces the processes in which the ancient republic became an empire.

Now Sir David goes on to a Supermind contest with the winners of the *Forces' Chance* series.

BBC chief defends 'Tonight' against Mr Neave's attack

By a Staff Reporter

General of the BBC, has replied to a protest by Mr Airey Neave, opposition spokesman on Northern Ireland, about last Thursday's *Tonight* programme. Mr Neave had said of the programme, which included interviews with IRA leaders: "The terrorists are using your corporation for their own propaganda."

Mr Trethowan replied: "In fact, it showed the republican movement as small in number, deeply and bitterly divided, fanatical, sectarian, violent and suffering a very severe loss of public sympathy."

To Mr Neave's question whether the BBC wanted to prolong the armed struggle, Mr Trethowan replied: "It is perfectly reasonable for you to question our judgment, but not, with respect, our motives. Two of our colleagues have been killed in the emergency and many others have felt its menace. We are as anxious to see an end to this brutal chapter of British history as you are—and, pace your letter, I think you know that perfectly well."

Army withdraws regiment

By Our Defence Correspondent

The Army is withdrawing a regiment from Northern Ireland before the end of the year, reducing the number of big units there from 14 to 13, and the total size of the Army in Ulster from 14,000 to 13,500.

The unit is the 2nd Royal Tank Regiment, with headquarters at Magherafelt. The regiment was due to return to its barracks in BAOR, but it was not now being replaced. Its return was held back until after Christmas because of the need to use troops on firefighting duties.

The reduction in the Army's strength is in accordance with

the public should not be shown, in any serious form, what is happening among the republicans. We are at a moment of change. We disagree. We believe that the public can be trusted to make its own judgment, even in Northern Ireland. It is sending 14,000 of its sons to risk disablement, even death, on the streets of Belfast and in the hedgerows of south Armagh."

Pointing out that the programme was the first to cover the ground for two years, Mr Trethowan said that to argue that, particularly in a period of change, the BBC should avoid any serious analysis of what was happening in the republican movement seemed a negation of the spirit of informed public discussion on which the democratic process depended.

Mr Neave said last night that he was studying Mr Trethowan's reply. The programme had been condemned by both communities in Northern Ireland.

Mr Trethowan had failed to explain why those who were combating terrorism in the province had not been included in the interviews. He hoped a recording would be shown to MPs at Westminster on January 10.

long-term plans outlined by Mr Mason, Secretary of State for Northern Ireland, in the House of Commons two weeks ago.

It also reflects the falling level of violence in Ulster, where there have been 111 deaths so far this year, compared with 236 in 1976.

The Army's policy is also to reduce the number of units borrowed from BAOR, particularly when they are armored regiments, like the 2nd Royal Tank Regiment, which is helping out in an infantry role.

The long-term plan is to lower the Army's dependence upon the four-month emergency tour, by raising the number of long-term garrison battalions.

Prisoners prepare for Christmas

By Christopher Walker

IRA bombers attacked a well-known stationers in Belfast yesterday, causing extensive damage. At the same time, a tennis court near the shop was piled with broken glass, twisted metal, and charred Christmas cards.

Less than 500 yards away shoppers were treated to a bizarre republican pantomime presented by Black August, or the "Amalgamated Urban Guerrilla Street Theatre".

The show was the cent's latest production. *Forty-two* consisted mostly of a rumbustious Christmas being enthusiastically beaten by two supposed police interrogators while Christmas carols, representing the British and Irish governments, looked on with delight.

The pantomime was intended to draw public attention to the plight of the 208 republican prisoners who will spend Christmas Day in solitary confinement, dressed only in blankets as part of their campaign to be given the status of political prisoners.

The protesters are all held in the newly built H block of the Maze prison at Long Kesh. In neighbouring compounds the 208 prisoners with special category status still live a relatively privileged existence.

From tomorrow until December 26, the special category prisoners, all "loyalists" or republicans, convicted of terrorist crimes committed before March last year, will be allowed to add festive trimmings to their 12 compounds.

According to a memorandum recently sent to their relatives, each compound will be allowed to receive 14lb of cooked sausages, 160 small pies, 150 small cakes, 14 cakes, and 20 Christmas puddings (each weighing a maximum of 2lb). One turkey may be sent in for each 10 prisoners, provided that it is cooked, but not stuffed.

Canada to resume supplies of uranium

By Michael Hornsby

Canada's supplies of uranium to the EEC, which have been embargoed since the beginning of this year because of a dispute over safeguarding requirements, will resume immediately under an agreement approved here today by foreign ministers of the Community.

Normally, EEC countries import about 2,500 tonnes of uranium a year from Canada, about a third of their total needs. Both Britain and West Germany have in recent years met about half their requirements from Canadian imports, and the British have had to dig deep into their strategic stockpiles because of the embargo.

Tentative agreement on resumption of deliveries was reached last month by representatives of the EEC and Canada. Mr Guido Brunner, the Commissioner for energy policy, and Mr Don Jamieson, the Canadian Minister for External Affairs, had then to be endorsed by the Council of Ministers and the EEC Council.

Vietnam sending team to US over war-missing

By Our Own Correspondent

Paris, Dec 20

Three Americans detained by the Vietnamese authorities after their yacht was arraigned in Vietnamese territorial waters on October 12 will be released before the end of the month by a Vietnamese "good offices" team set up to investigate the problem of American nationals missing during the Vietnam war.

These are the two concrete results of the third session of the American-Vietnamese negotiations in Paris on the normalization of relations which ended today.

The spokesmen of the two delegations, read a prepared text to the press announcing that, "The Vietnamese side has

accepted the American invitation to a good offices team on men missing in action and the repatriation of war dead. This team will also be invited to visit the American central identification laboratory."

They described the two days of talks as "frank and cordial". He added that they would be followed by other meetings at dates and in places as yet unspecified. For the first time since the talks began last May, the joint statement mentioned a possible normalization of relations between Vietnam and the United States.

The Vietnamese delegation was led by Mr Phan Hien, the Vice-Minister for Foreign Affairs, and Mr Richard Helbrooke, the Deputy Secretary of State for Eastern Affairs.

Dutch coalition rebel to lead Christian Democrats

By Our Correspondent

Amsterdam, Dec 20

Mr Wim Aantjes has been chosen as the new leader of the Dutch Christian Democrat parliamentary group. He succeeded the former Minister of Social Affairs, who is resuming his seat in Parliament.

This will leave the Government with only 59 seats in the 150-seat Parliament.

The new Government will present its programme on January 16.

Theatre forced open by angry patrons

By William Chislett

Madrid, Dec 20—Angry theatregoers last night forced open the doors of the Calderon Theatre here, which had been closed by the actors' union, and the show went on.

Most theatres in Madrid and Barcelona were closed yesterday in protest by actors at last week's arrest of actor Albert Bonafant, the Els Joglars Theatre group director, by the military authorities. He is accused of insulting the Army.

His company performed a play in Catalonia called *La Torra*, which was inspired by the detention and execution of Heinz Ghe, a young pole accused of murdering a policeman in Tarragona. The actors decided on a week's protest with an all-out strike on Thursday.

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Lord George-Brown, former Foreign Secretary, is making his debut in a £15,000 television advertisement about P & O Normandy Ferries.

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OVERSEAS

Israeli mission to the Cairo talks more important in terms of public relations than diplomacy

From Edward Mortimer
Cairo, Dec 20

It is assumed increasingly by both Israelis and Egyptians that the Cairo conference will be a foreign minister level after the meeting between President Sadat and Mr Begin at Ismailia on Sunday.

This present Israeli delegation is not a mission to negotiate matters of substance. It is more of a show of force, however, that it is not for negotiation that they have been invited to Egypt.

The object of the conference in its present form is to accuse the Egyptians to the idea of having Israeli in their midst and to acquaint the large public with the genuine goodwill and desire for peace of the Egyptian people.

Matters have been so arranged that the Israeli delegation spend the minimum of time behind the closed doors of the conference room and the maximum in public on various sight-seeing or similar excursions.

Wherever they go they are met by crowds of Egyptians shouting welcomes and slogans in praise of President Sadat, "hero of peace". They are followed by a group of Israeli journalists, including a television crew, who immediately transmit these heartwarming images back to the Israel public.

The message is clear enough: why worry so much about "defensible borders" when you have such friendly and peace-loving neighbours?

Clearly the demonstrations enjoy official encouragement and, to a certain extent, they are organized. One can usually identify a cheerleader setting the time for the rhythmic hand-clap; where schoolchildren are involved they have obviously been given the cue off from school and are sometimes led by their teachers.

Yet at the same time there is a convincing air of spontaneity and *jote de vivre* about it all. The police often have to

fight back the demonstrators, who crowd round the delegates in their enthusiasm.

The Israelis themselves are certainly impressed and touched, although the moral they draw is not always the one the Egyptians presumably want them to. Some draw the conclusion that President Sadat has raised the hope for peace which he cannot afford to let appoint and that, therefore, he will have to make further concessions when substantive negotiations get under way.

Today's excursion was to President Sadat's native village in the Nile delta, Mit Abul Kom. This was apparently suggested, in a shrewd diplomatic gesture, by the Israelis themselves. As well as pleasing their hosts, it gave them their first chance to see something of the Egyptian countryside.

They were impressed by the lush greenness of the delta fields, with their millennia-old irrigation system; by the unaccustomed sight of trains travelling with passengers lying on the roof; by the laboriously-piled pyramids of oranges waiting for collection at the roadside; and by the general neatness and relative prosperity of the countryside, compared with the squalor and disorder of overpopulated Cairo.

There was not a great deal to see in the village itself other than the Sadat family house, which is notable mainly for the number of portraits of the president it contains, including a splendid primitive painting in a style reminiscent of the late Stalinist school. It shows Mr Sadat in uniform embracing a peasant and a worker, both of whom have features remarkably similar to his own.

Aided by Mr Shalom Cohen, an Israeli journalist of Egyptian origin, who acted as interpreter, I was able to discover and interview two brothers of Mr Sadat's first wife, one of whom is the *umda*, or headman, of the village.

They could remember their brother-in-law from 1927, when he was eight years old, although there was apparently nothing very remarkable about him then. They denied strongly a rumour that his mother had once taken in washing.

On the contrary, the family were "honourable peasants" with six acres of land.

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Did they think the Palestinians were now going to get their rights? — "This is the root of the problem, and it certainly must be solved. It is a political problem which the President has to solve. But we have faith in him".

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Six of the eight French captives, including Mlle Nicole Foulon, second from right, to be freed by the Polisario guerrillas, photographed in a desert camp somewhere in the Western Sahara.

Hostages awaited in France

From Our Own Correspondent
Paris, Dec 20

Dr Waldheim, the United Nations Secretary-General, is due to arrive in Paris on Friday with the eight French hostages being released to him by the Polisario in Algeria.

The official Algerian press service has issued a report in

which the hostages criticize the French authorities bitterly for failing to warn them of their danger in working in Mauritania.

According to the report, the hostages now recognize that the mining town of Zouerate, where six of them were working when they were captured on May 1, is a prime military target. "We were very badly informed about the risks we were running; the French authorities misled us by their reassuring words", they are quoted as saying.

The French Government is not worried about us except in so far as it justifies them in reinforcing its military intervention in Mauritania.

Three of the hostages are said to have helped the Polisario to repair their military equipment during their captivity, putting up support brackets for mortars and machine guns on military vehicles.

The hostages all paid tribute to the way in which they had been treated. Certainly, in the photographs, they all seem to be well fed and dressed.

The news service is run by the Algerian Government, which supports the Polisario cause, so the hostages would have been unlikely to say anything that might prejudice their promised release. Equally, the French Government will not want to comment at this stage for fear of upsetting arrangements for the handover.

The families of the hostages have been invited to Algiers to be present when they are handed over and the presence of Dr Waldheim means that the Polisario will have achieved maximum attention by their act.

It is unlikely that they will want to risk losing this opportunity to present their cause in a humanitarian light by calling off the hounds, even though they are now accusing the French of using their Jaguar aircraft against them. There has still been no confirmation or denial by France of the allegation.

The talks were again attended by the government party, headed by Mr Smith, while Bishop Abel Muzorewa led the United African National Council. The Rev Ndabazimang Sibhile, the ANC (Sibhile), and Senator Chief Chirau, the Zimbabwe United People's Organization.

It is believed the main issue under discussion is the parliamentary blocking mechanism wanted by Mr Smith to ensure that major legislation cannot be passed by some future government without the approval of a blocking group of about a third of white members.

Mr Smith wants separate voters' rolls for whites and blacks, but the nationalists are said to oppose this saying it is retrogressive and racialistic.

Observers believe the talks are being conducted in a spirit of cordiality and desire to reach a common understanding, but much hard negotiating remains.

It is thought the delegates will meet at least twice more this week and then adjourn for the Christmas recess.

Lusaka, Dec 20.—Zambian newspapers said today that Sunday's front-line summit in Mozambique had been "stormy", with heated exchanges between the four heads of state and two Rhodesian nationalist leaders taking part.

The Beira conference, believed to have been called to discuss tactics in the light of Mr Smith's moves towards an internal settlement, was held in private.—Reuter.

Rhodesian whites' rights discussed

From Our Correspondent
Salisbury, Dec 20

The sixth round of the Rhodesian internal settlement talks ended here this evening after three hours and 20 minutes. It was the longest session so far. A brief official statement issued afterwards said progress had been made and that the talks would resume tomorrow.

All the delegates drove off without talking to the waiting journalists, except for Mr Ian Smith, the Prime Minister. He looked tired but managed to raise a smile when asked if the delegates would be having their Christmas lunch at the government training centre where the talks are being held.

"We would probably put our feet down at that", he said. "We will have Christmas Day with our families".

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New York council cancels own pay rise

From Michael Leppman
New York, Dec 20

Mr Edward Koch, New York's newly-elected mayor, won his first important victory yesterday, some two weeks before he is due to take office. He persuaded the 43 city councillors to cancel pay increases of 50 per cent which they were about to award themselves. In doing so, he also frustrated a substantial pay increase for himself.

Last week the council voted by a large majority to increase their salaries from \$20,000 to \$30,000 (\$11,000 to \$16,500) a year, even when there is no full-time job. Mr Abraham Beame, the retiring mayor, said he would veto the increase on the ground that the impoverished city could not afford it.

However, the council have the power to override the mayor's veto and they had enough votes to do it. They were concerned to work office hours for the public outcry. A newspaper opinion poll showed almost unanimous opposition to the increases.

Yesterday, Mr Koch and Mr Beame met the council leaders and put it to them that to award themselves increases on that scale would have two adverse effects. It would make it hard for the new mayor to appoint yet another highly-paid member of the blue-collar workers, and it would discourage Congress in Washington from voting New York the budgetary assistance it badly needs.

The city has still not fully recovered from its near bankruptcy in 1975, when swingeing cuts in services had to be made before the cash could be raised to get it out of trouble.

A special concern for Israel is free passage through the Straits of Tiran to the Israeli port of Eilat. Egyptian interference with this was the cause of war in 1956 and 1967. Since 1967 Israeli governments have indicated they would insist on retaining the western shore of the Gulf of Akaba in a peace agreement.

Since President Sadat's visit to Israel last month, however, it has been suggested that Israel might be satisfied with a temporary "leasehold" of Sharm-el-Sheikh, the fort that dominates the straits.

Mr Weizman may well have wished to discuss the technical aspects of such arrangements with his Egyptian opposite number, although clearly only President Sadat would have the authority to make the political concessions involved.

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Space walk shows no damage to Salyut 6

Moscow, Dec 20.—After a 20-minute space walk, Mr Georgy Grechko, one of the two Soviet cosmonauts in orbit, returned into the Salyut 6 today and reported that an inspection he had made of the craft showed that "everything is completely in order".

Tass said that Mr Grechko, and the mission commander, Lieutenant-Colonel Yuri Romanenko, were satisfied no repairs were needed to the space laboratory's docking system.

The 19-ton laboratory, which the cosmonauts boarded nine days ago, has dual docking systems to enable two ferry craft to link up with it at the same time. The system tested today was feared damaged during an unsuccessful link-up attempt in October, when two other cosmonauts were ordered back to Earth after less than 48 hours.

The present crew used the second docking port at the end of Salyut when they linked their Soyuz 26 ferry to it early last week.

It is very difficult and complicated work, and at the same time a tremendous pleasure", Mr Grechko said after his foray into space, armed with testing gear and a small television camera.

All the docking equipment, everything is completely in order. The receiving cone is also clean, without a single scratch", he reported.

News that the docking port was in working order could encourage Soviet space chiefs to try another Soyuz link-up while the present crew are still on board. But the main aim of the mission appeared to have been to find out what went wrong with the Soyuz 25 venture, and prospects of a three-craft spectacle seemed diminished by official hints that the cosmonauts could conclude their programme by the end of the month.

While Mr Grechko worked outside the craft, filming the whole docking assembly for ground control, Colonel Romanenko supervised the operation from inside the station's depressurized transfer compartment—the end section which adjoins the docking port.

Both men were outside the oxygenated space laboratory for 20 minutes. Mr Grechko, a 46-year-old civilian engineer, was the first cosmonaut to venture away from a space vehicle for nearly nine years. His space walk was about twice as long as the first one ever made by Lieutenant-Colonel Alexei Leonov in March, 1965.—Reuter.

US threat to Pretoria over nuclear fuel reported

From David Cross
Washington, Dec 20

The United States is reported to be increasing its pressure on South Africa to prevent it from developing nuclear weapons.

According to today's New York Times, Washington is threatening to withhold supplies of nuclear fuel for power stations unless Pretoria agrees to sign the 1968 non-proliferation treaty.

A State Department spokesman, who would neither confirm nor deny the report, pointed out that Washington has not been supplying South Africa with nuclear material for some time, principally because there have been no such requests from Pretoria.

This statement, however, does not rule out the possibility that South Africa might call for American uranium supplies to meet the requirements of two power plants due to come into operation in the early 1980s.

In the wake of strong evidence this summer that South Africa was about to test a nuclear device in the Kaledari Desert, President Carter promised that his Administration would renew its efforts to persuade the South Africans to adhere to international nuclear safeguard agreements.

Since then international pressure to prevent Pretoria from developing nuclear weapons has intensified. Last month, members of the United Nations agreed that they would refrain from any cooperation with South Africa in the manufacture and development of nuclear weapons.

Now it appears that Washington has decided the only way to bring the South Africans into line is to threaten to turn down any future requests for supplies of enriched uranium.

Our Paris Correspondent writes: South Africa has failed in its efforts to persuade France that there is a legal obligation to deliver two submarines and two escort vessels being built in Brittany in spite of the arms ban agreed by the United Nations Security Council.

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SPORT

Football

Liverpool's scheming triumphs over Coventry's hard work

By Norman Fox
Football Correspondent
Coventry City 0 Liverpool 2

Liverpool, who have really shown uncommon devotion to the Football League Cup as a competition, channelled most of their wide experience into a shrewdly won fourth-round replay at Highfield Road last night. They were prepared to defend a small gain against the power of Coventry City's new determination to go forward in force and whenever they chose to attack they offered more ideas than Coventry could offer for all their more vigorous work.

As well as, for them, the alarming thought that this might be their only trophy of the season, should Nottingham Forest achieve the double that they threaten, Liverpool had the incentive of a goal in only the fifth minute. Coventry justifiably looked hurt and became increasingly aware that their error would not be easily overcome.

Liverpool, without Jones, rearranged their defence with Hughes taking an orthodox left-back position and allowing Hansen to replace him. Although Hansen was in the centre of the line, although he was later to find the tempo in the penalty area too fast and too accurate, Hansen did lay the first stone in the move that gave Liverpool their routing send-off and, ultimately, security.

In a spot of trouble on the left side of the penalty area, Hansen still played a daring pass back towards his own goal, but it was well judged and Thompson supported him well by burying out to



Casey's powerful shot gave a reminder of what he used to do more regularly.

Pearson and Chammon may be out of action

Stuart Pearson, the Manchester United forward who limped out of the game with Nottingham Forest on Saturday with an ankle strain, is causing a problem for the United manager, Dave Sexton. Stuart could be struggling to make our holiday games, he said.

Meanwhile there is better news of Martin Buchan, who jarred his knee in a reserve match at Everton this week. Mr Sexton said: "I don't think it is serious. He was taken out of the game as a precaution."

Buchan's appearance was designed to give him some match practice.

Said Buchan: "The knee is sore but it's too soon to say how serious, I will have to wait before I know the full extent."

Manchester City may be without their £300,000 striker Chammon for the Christmas programme. Chammon strained a hamstring in training and said he would be out of the matches at home to Newcastle and at Middlesbrough.

The manager, Tony Brook, said: "We hope it is a strain and not a tear. Hamstring injuries can be difficult and we shall have to see what progress is made."

Hastings United, of the Southern League, have been expelled from the FA Trophy and face disciplinary action for fielding an ineligible player in the third replaying with Colchester United. The match was drawn, but Hastings won the replay, 2-0.

The player concerned was a goalkeeper, but he has been unable to find out who he was. An FA spokesman said: "We take a very serious view of this. Hastings are a senior club and full members of the Football Association."

Allen flies to Middle East to discuss future

Ron Allen, the 47-year-old manager of West Bromwich Albion, flew out to the Middle East yesterday to discuss his future with the national team manager in Saudi Arabia.

The position was vacated by Bill Millichip, last summer, and Allen was approached at the weekend, and hopes to see Crown Prince Fahd to discuss his future. He is reported that the post is worth £100,000 tax free for 18 months.

Allen has been managing West Bromwich since taking over from Johnny Giles in 1974, and has won a contract for 18 months ago without a contract.

He and the club chairman, Bert Millichip, met this week and West Bromwich University from September will be willing to offer a contract but he will not know until Friday, when Allen returns, whether it will be accepted.

Mr Millichip yesterday confirmed that Albion have offered Allen a contract. He said: "He has been told that if he wants a contract, he can have one."

"We have offered him a contract, which I understand would be acceptable to him, but he has had a fantastic offer. There is no way any club could compete with that."

Mr Millichip referred to the criticism that Allen was not given a contract when he took over from Johnny Giles in 1974, and said: "Mr Allen, at his request, did not have a contract. This was mutually agreed," he said.

Today's football

FA Cup: Second round replay: Scarborough v. First round replay: Clyde v. Dunfermline.

Rugby Union

Making punishment fit the crime

By Peter West
Rugby Correspondent

With two players dispatched from the field in a leading club game last weekend, and with touches of refereeing in the recent inter-divisional matches, another rugby year seems to be drawing to a close on an unseasonably sour note. Is there more foul play than there used to be, or is it just less furtive and unashamed, its pace ragged by the effect of television? Whatever the answer to that may be, are the disciplinary procedures, and the spirit with which they are interpreted, adequate to deal with the problem?

One who thinks they are not is Philip Davies, now headmaster of Chetnam College in Leamington, who, in company with Jeffrey Butterfield, provided England and a British Lions with a famous combination at centre in the 1950s. He believes that the game has become faster more skilled and more frenetic—leading itself to increasing gamesmanship and foul play—but that the disciplinary procedures have lagged behind.

"Except for the most severe cases," he suggests, "it is no use a county calling up a posse of bobbies for summary punishment without right of appeal. The modern player has scant respect for such a distant 'sickdo' authority, and there is no benefit for the referee in wasting his time when he is thought, anyway, to

Swansea get late winner after early domination

Swansea 2 Portsmouth 1

After monopolizing play for almost all of the first half, Swansea had to wait for a winner in the final nine minutes from the end from Moore before qualifying for a third round FA Cup tie at Walsal.

Portsmouth, in the lower regions of the third division, were fourth division opponents until the weekend.

But Swansea could score only once, and that an "own" goal when Dwyer tried to cut out at the rebound, Moore shot the winner.

Portsmouth played with much more determination in the second half and equalized through Foster. Eleven minutes later however a shot by James hit the post and, after the rebound, Moore shot the winner.

Peterborough 2 Gillingham 0

Carmichael, a defender, put Peterborough on the road to a money-spinning FA Cup meeting at home to the first division club, Newcastle United, scoring his first goal of the season in the second round replay against Gillingham.

Carmichael, who had previously scored only five times in three years at Peterborough, volleyed in from 20 yards after 64 minutes when the Gillingham goalkeeper, Hillyard, punched out a corner.

Gillingham failed to get back into the game and Sargent made Peterborough's place in the next round safe with a neatly struck second goal four minutes from time.

Earlier Peterborough looked as if they might regret their missed chances by McEwan and Turner.

Although Westwood threatened for Gillingham in the early stages he suffered from lack of support and the quality of Gillingham's build-up in attack deteriorated as the game went on.

Beckenbauer's World Cup chances recede

Frankfurt, Dec. 20.—Franz Beckenbauer, who signed for New York Cosmos earlier this year, cannot play for the re-legation-breathed West German side 1980 Munich, during the American football winter break. The West German Football Federation (DFB) announced this decision today.

The DFB's league committee said after a meeting here that Beckenbauer's application to join 1860, city rivals of his old club Bayern Munich, ended too late. Beckenbauer, a former West German captain, wanted to play for 1860 for nine months in January and February when there is no professional league football in the United States. 1860 are at the bottom of the 18-club German first division.

The DFB's decision is a blow to his chances of returning to the West German team which will start the World Cup in Mexico next June. He has been dropped from the national side since moving to the United States.

Results yesterday

League Cup
Fourth round replay
Swansea 2 Portsmouth 1
Carmichael 1, Dwyer 1, Moore 1
Winners away to Walsal

FA Cup

Second round replays
Swansea 2 Portsmouth 1
Carmichael 1, Dwyer 1, Moore 1
Winners away to Walsal

Southern League: First division

Swansea 2 Portsmouth 1
Carmichael 1, Dwyer 1, Moore 1
Winners away to Walsal

Scottish League: Premier division

Swansea 2 Portsmouth 1
Carmichael 1, Dwyer 1, Moore 1
Winners away to Walsal

Rugby Union: Schools match

Swansea 2 Portsmouth 1
Carmichael 1, Dwyer 1, Moore 1
Winners away to Walsal

Hockey

Manager of England in surprise resignation

By Sydney Friskin

Three months before the World Cup tournament in Argentina, the England hockey team suddenly found itself without a manager. The resignation of Ian Taylor in circumstances unprecedented in English hockey was announced yesterday. His successor has not yet been appointed.

Although the Hockey Association emphasized that Mr Taylor's resignation was unrelated to the recent tour of India, he is of the opinion that the two events cannot be dissociated. "One or two people sitting in judgment over me are the ones responsible for putting me in a difficult situation," he said yesterday. He was referring to that part of the tour of India, before the Nehru tournament, for which the arrangements for transport, food and accommodation were so bad that the players endured considerable hardship.

"Naturally I am disappointed," he said, "but I am quite happy to resign." He deplored the lack of support for the tour and the proper itinerary and added that in his report to the emergency committee of the HA he had recommended an apology to the players for having been put into an "impossible situation". He concluded by saying he had not given a lot of his time to his task and would have to direct his energy now in other more important areas.

Mr Taylor's withdrawal from the scene seems to be somewhat ill-timed, coming as it does soon after the HA have made an official complaint to the international authorities and the Indian Hockey Federation about the poor arrangements for the India tour. The Indian hockey team, however, have been invited to play in the international tournament at Lord's on March 11 and 12.

Since his appointment as the England team manager in April, 1976, Mr Taylor has taken teams to Australia, India, New Zealand and India. Under his guidance the team's best achievement was a 2-1 victory over West Germany in Amsterdam during the summer tour to the Netherlands. The Force in the Nehru tournament, which was a fairly good performance, were beaten 1-0 in the final.

Apart from putting a great deal of effort into his work Mr Taylor established good relations with the Indian hockey team and the Indian Hockey Federation. The official statement from the HA read:

"The Hockey Association regret to announce today the resignation of Mr I. D. N. Taylor as England's team manager. A position he held since April 1976. The HA's announcement is unrelated to the match arrangements for the Indian tour about which the Hockey Association and the Indian Hockey Federation have submitted a detailed report to the executive committee of the HA."

This report follows on assurances given by the honorary match and fixture secretary to team players and officials on the second tour, the Indian tour, of the resignation of the honorary match and fixture secretary should the executive committee not be able to handle the arrangements for the tour.

"The new England team manager will be appointed as soon as possible. However, for the time being, the Indian tour will be managed by Mr J. C. Cawthron who will be acting team manager of the England indoor team."

The HA wish to thank Ian Taylor for the enormous amount of hard work, time and effort he has given unstintingly over the past three years as manager of the England team."

Cricket

Three touring 'boys' given their chance to be kings for a day

From John Woodcock
Cricket Correspondent
Lahore, Dec. 20

For their next game, a one-day "international" against Pakistan at Lahore on Friday, the England eleven will include all the side players who were not in the side for the first Test. There are four one-day games on the tour, to be played over 35 eight-ball overs with the bowlers operating off a restricted run-up. The touring side's suggestion that the over should be reduced to 30 and the run-ups not reduced at all was turned down.

It will make the three-hour drive to Sahiwal worthwhile to see Gaining, Bodman and Downman, the three "boys" of the England side, bat at number three and Bodman at seven. For anyone not in the Test side there is all too little cricket in Pakistan. In New Zealand there will be more, but until the team move there on January 24 all Downman and Gaining, for example, will have to do is to play in one-day matches and one more three-day match against a Punjab eleven at Bhesawar.

For the three-day match against the Habib Bank here in Lahore next Monday, Tuesday and Wednesday it is intended to give priority to the Test players. When there is so much waiting to be done and so little playing time can hang heavily on a young player's hands. It is important for them to become involved in some way, even if it is only taking out the drinks.

Boycott's involvement this morning amounted to his going to the Gymkhana ground to arrange some nets for tomorrow. Being a religious holiday there will be no time there to lay things on, but the matter will well within the vice-captain's scope, quite apart from being near to his home.

Most of the party have been engaged today in a pitch-and-putt competition on the hotel's little course. Although it is an expanding game fewer cricketers play golf now, at any rate at this level, than used to. In 1950-51 most of Freddy Brown's side in Australia played golf, and even when they could. In 1958-59 half a dozen of Peter May's side had single-figure handicaps.

Of the present team Brian Rose, who plays off five, and Ken Barrington, who hits his irons like a good professional, would be the only two to do so, though Boycott, when he applies himself, can strike the ball well with an iron. Once, when we were spending Christmas in Hobart, I remember Boycott saying how well it would have suited him to be a golfer: because, in fact, then being a cricketer, he caused of being able to go off and practice alone. He loves practice and it takes three or four people to have a good net.

Cricket's first exchange

Involving the Surrey fast bowler, Geoffrey Arnold, and the Sussex batsman, Roger Knight came closer to completion yesterday. Sussex have endorsed the action taken by the chairman, Tony Currey, in agreeing with his Surrey counterpart, Rams Subba Rao, that Arnold and Knight should switch counties.

PHILIP HARRISON: Currey Cup, West. 1976-77. 176-181, 181-182, 182-183, 183-184, 184-185, 185-186, 186-187, 187-188, 188-189, 189-190, 190-191, 191-192, 192-193, 193-194, 194-195, 195-196, 196-197, 197-198, 198-199, 199-200, 200-201, 201-202, 202-203, 203-204, 204-205, 205-206, 206-207, 207-208, 208-209, 209-210, 210-211, 211-212, 212-213, 213-214, 214-215, 215-216, 216-217, 217-218, 218-219, 219-220, 220-221, 221-222, 222-223, 223-224, 224-225, 225-226, 226-227, 227-228, 228-229, 229-230, 230-231, 231-232, 232-233, 233-234, 234-235, 235-236, 236-237, 237-238, 238-239, 239-240, 240-241, 241-242, 242-243, 243-244, 244-245, 245-246, 246-247, 247-248, 248-249, 249-250, 250-251, 251-252, 252-253, 253-254, 254-255, 255-256, 256-257, 257-258, 258-259, 259-260, 260-261, 261-262, 262-263, 263-264, 264-265, 265-266, 266-267, 267-268, 268-269, 269-270, 270-271, 271-272, 272-273, 273-274, 274-275, 275-276, 276-277, 277-278, 278-279, 279-280, 280-281, 281-282, 282-283, 283-284, 284-285, 285-286, 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730-731, 731-732, 732-733, 733-734, 734-735, 735-736, 736-737, 737-738, 738-739, 739-740, 740-741, 741-742, 742-743, 743-744, 744-745, 745-746, 746-747, 747-748, 748-749, 749-750, 750-751, 751-752, 752-753, 753-754, 754-755, 755-756, 756-757, 757-758, 758-759, 759-760, 760-761, 761-762, 762-763, 763-764, 764-765, 765-766, 766-767, 767-768, 768-769, 769-770, 770-771, 771-772, 772-773, 773-774, 774-775, 775-776, 776-777, 777-778, 778-779, 779-780, 780-781, 781-782, 782-783, 783-784, 784-785, 785-786, 786-787, 787-788, 788-789, 789-790, 790-791, 791-792, 792-793, 793-794, 794-795, 795-796, 796-797, 797-798, 798-799, 799-800, 800-801, 801-802, 802-803, 803-804, 804-805, 805-806, 806-807, 807-808, 808-809, 809-810, 810-811, 811-812, 812-813, 813-814, 814-815, 815-816, 816-817, 817-818, 818-819, 819-820, 820-821, 821-822, 822-823, 823-824, 824-825, 825-826, 826-827, 827-828, 828-829, 829-830, 830-831, 831-832, 832-833, 833-834, 834-835, 835-836, 836-837, 837-838, 838-839, 839-840, 840-841, 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952-953, 953-954, 954-955, 955-956, 956-957, 957-958, 958-959, 959-960, 960-961, 961-962, 962-963, 963-964, 964-965, 965-966, 966-967, 967-968, 968-969, 969-970, 970-971, 971-972, 972-973, 973-974, 974-975, 975-976, 976-977, 977-978, 978-979, 979-980, 980-981, 981-982, 982-983, 983-984, 984-985, 985-986, 986-987, 987-988, 988-989, 989-990, 990-991, 991-992, 992-993, 993-994, 994-995, 995-996, 996-997, 997-998, 998-999, 999-1000, 1000-1001, 1001-1002, 1002-1003, 1003-1004, 1004-1005, 1005-1006, 1006-1007, 1007-1008, 1008-1009, 1009-1010, 1010-1011, 1011-1012, 1012-1013, 1013-1014, 1014-1015, 1015-1016, 1016-1017, 1017

Rodman's last two win

ponder and sift through the sheaf
and sheaf of documents and digest
opinion from all sides. Their
findings, which should be heard
next summer, will be interesting to
say the least, because they could
have a profound effect upon the
lives of so many in the future
especially those who happen still
to adore the fundamentals of
British racing.

well but I had to give it back!" He added: "Mannyboy will go for the Grand National in 1979. As far as this season is concerned, the Welsh version is the target. It is a race I would particularly like to win as my Man In The Moon was unlucky to be only third in the couple of seasons ago."

That smart steeplechaser was killed in the Scottish Grand National and Mannyboy has taken

Stan Mellor, who has struggled in the last three racing days when David Brian easily accounted for Red Ronan and Mauritius in the second division of the Hawkinbury did. There were no excuses

sions specified in the information the defendant travelled on Underground. On each occasion purchased a ticket for 10p, and fare he paid was less than correct fare for the journey intended to take, and in fact to . . . On arrival at his destination delivered to the ticket collector 10p ticket and a form which read "To London Transport Executive Date. . . . I have today travelled from . . . to . . . and rendered

before he began that journey. He bought a ticket which was prescribed fare to a destination but, when he travelled, intended to travel beyond that destination without paying for the additional distance. He travelled that additional distance with intent to avoid required payment therefor.

In that case, if he failed to tender the outstanding balance of the fare at latest when necessary,

By Michael Seely

This afternoon's Pimlico Hurdle at Chesham shines out like a glittering jewel against the dull background of a dreary day, and a gloomier Christmas. It is still not clear who is going to win either the Cheltenham Gold Cup or the Christmas Hurdle, but at present Rodman seems to have the edge. Rodman claims to be considered the outstanding three-year-old and is undisputed. Fred Winter's young horse, a colt, is a possible challenger, but it is doubtful if he will be good enough to contest the Deaf Express Triumph Hurdle with another sparkling victory.

The experts quite rightly point out that the odds are not in favour for Rodman becoming the champion of his age group in the 1966 Cheltenham Gold Cup, but he was at Newbury in November.

His detractors say that of the postwar Triple Crown winners, only the 1966 victor, Black Ice, has made his first appearance as early as that. The pattern for the runner-up, however, has been performed until nearer to the day.

History is on their side, the races are won by horses and not by jockeys, and the jockeys who have seen Rodman's last two successes must be convinced of his class. Even if he is not sufficiently moved to put "impressive" against Rodman's name in the form book at the time, the horse is a colt, a colt whose name is already rarely bestowed by the dozen of race readers. Rodman seems to have every attribute required to be a champion. He is a jumper, stays well and can quicken at the will of his jockey.

confirm his

ss class

think this one could prove even better," Mr. Paffen said. His horse was splendidly ready for the job and he was completely confident of his ability to complete a double for Josh Gifford, who collected the prize 12 months ago with the same horse.

Fred Winter made one of his visits here but after Indian Loden's performance in the first race, he was obliged, the attempt at a third weekend with the defeat of the odd on favorite by David Brian's horse, to give up.

Indian Loden learnt how to jump in the hounding school and was then sent to the team at the start of the campaign, and going round without the semblance of a stumble.

He was a very lively backed Red right by eight lengths in the first division of the Hawking Novices.

Laufack smashed a knee at the seventh flight and was destroyed by the fall. He was taken to Canterbury Hospital with a concussion. Wrote rated Round

[illegible]

Tenancy with landlord not

of defendant, the requisite intent to pay the money to the Solicitors, Douglas Mann & Mc V. J. Stewart.

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 3 Four Pals, M. McLean, 11-7 R. Bann
 4 Kate King, S. Norton, 11-7 J. P. O'Neill
 5 R. Lawrence, R. Hollinhead, 11-7 J. Barker
 6 C. J. King, J. Fitzgerald, 11-7 Mr J. Carden
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 9 Morgan's Pride, M. Morgan, 11-7 Mr C. Cundall
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 11 Morgan's Pride, M. Morgan, 11-7 Mr C. Cundall
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[illegible][illegible]

Man who did not pay on the Underground

sions specified in the information the defendant travelled on Underground. On each occasion purchased a ticket for 10p, and fare he paid was less than correct fare for the journey intended to take, and in fact to . . . On arrival at his destination delivered to the ticket collector 10p ticket and a form which read "To London Transport Executive Date. . . . I have today travelled from . . . to . . . and rendered

before he began that journey. He bought a ticket which was prescribed fare to a destination but, when he travelled, intended to travel beyond that destination without paying for the additional distance. He travelled that additional distance with intent to avoid required payment therefor.

In that case, if he failed to tender the outstanding balance of the fare at latest when necessary,

resident landlord who before commencement of the 1974 Act had granted a furnished tenancy which was still in effect at the commencement of the 1974 Act, was to be in no worse position than resident landlord who granted a furnished tenancy after the date of commencement of the 1974 Act.

The tenancy granted on or after the commencement of the 1974 Act was not to be protected because of new section 5A inserted in the 1974 Act. But the above transitional provisions were not to apply.

The Court of Appeal, in a served judgment, dismissed appeals by a respondent, Mrs. Adams, from a judgment of Judge Curds-Raleigh, at Bloomsbury, that the plaintiff, Mr. Lord, Mrs. Anna Maria Jones Stubbs, an order for possession of the premises was granted. The respondents claimed that the property was theirs jointly as tenants in common. Nothing like this claim was put forward by Mrs. Adams and a Miss Lydia Assop (who did not appear).

Judge Curds-Raleigh said: "Mrs. Adams v. Mr. Adams. Mrs. Stubbs in person.

LORD JUSTICE MEGAW, ruling the judgment of the court, said that the parties had agreed with the defendants under successive agreements in writing from the first of July, 1973, for five years, until June 30, 1978, followed immediately by a tenancy for a further period of five years ending in 1975. Both the lettings had been fully furnished. The landlord

commencement date (tenancy would be protected because it was a tenancy) coupled with the fact that new section 5A (1) would provide an exemption since it was a tenancy granted on or after commencement date.

(c) The relevant traditional provisions, Schedule 1, w/ " (1) (i) In any case where— before the commencement date, the dwelling was subject to a tenancy which was a furnished let; (b) the dwelling forms part of a building, ... and (c) on or after the commencement date, the dwelling was let under the furnished let; (i) belongs to a resident landlord, ... and (d) apart from the dwelling, the dwelling would, on the commencement date, become a protected tenancy, the Rent Act 1968) would not apply. Therefore, below, as if the tenancy had

When the agreement for first tenancy had been made, defendants had not been protected tenants, because the tenancy of furnished premises and section 2(1)(b) of the 1968 Act, as then stood, excepted such tenancy, so that it was not a protected tenancy. The 1974 came into force on August 1974, and was thus in force when the first tenancy ended and with

granted on the commencement of the tenancy, and as if the condition in paragraph (b) of section 5A (1) of the Rent Act, 1968, were fulfilled in relation to the grant of the tenancy. (2) In the application of the Rent Act, 1968, to a tenancy by virtue of this paragraph (a) subsection (5) of section 14 shall be omitted; and (b) in section 102A any reference to section 5A of that Act shall be construed as including a reference to

immediately after, the second
nancy had commenced. The
island. The appraiser
whether, on the facts and
true construction of the 1974
defendants were, when the
proceedings had been com-
pleted, 1976) and at the time
the hearing, plaintiff's ex-
hibit (111a) of the
Act contained a right of pre-
emption to furnish tenancies. That ex-
emption applied not only to tenancies
created by the Act but also to
existing tenancies. However,
section 2(3) provided for the in-
clusion of a right of pre-emption
in section 5A, which introduced
concept of a "resident landlord"
as a condition for the exercise
of the protected status of furnished
tenancies. Its terms were set
out in paragraph 1 of Schedule 2
to the 1974 Act. The Act provided
Subject to subsection (5) be-
a tenancy of a dwelling-hous-
which is granted on or after
1974 shall not be a protected
tenancy at any time if—
(a) the dwelling-house was let
to the tenant by a person other
than the tenant, at the time that
he was granted it, occupied as his
dwelling another dwelling-hous-
which also forms part of the
building; and
(b) if it rested there, the defend-

paragraph." The words "the Act shall apply" in the context of the new section 5A, was the absence of protection of the status of the first transferee. The word "transferee" in this meaning of that phrase in section 5A (5) (b), or was it "by virtue of the transitional provisions of the Act?" If it was the latter, the fiction created by paragraph 1 of Schedule 3, viz. that the transferee was granted the commencement date that in fact it was granted under section 5A would not apply. If it was the former, the transferee was protected. Hence it could be said that it was by virtue of the transitional provisions that the transferee was protected status. But the machinery by which the transitional provisions operated to deprive the transferee of the protection was by applying section 5A subsection (5). Hence it could also be said that the transferee was not protected by the new section 5A "that the first transferee did not have a protected status. Which was the conclusion."

In the absence of any further guidance from the context, the court would have concluded that the transferee was not protected by the transitional provisions.

reanims. The second tenancy July 1, 1975, had been granted after the commencement of the 1974 Act and the landlord was not a tenant under the said Act. The present landlord, in section 5A(1)(b). But the proviso of section 5A(1) were expugned subject to subsection (5) (a) and (b) of the said Act. A tenancy of a dwelling-house which forms part of a building (b) the tenancy for a term exceeding three years and is granted to a person, immediately before it is granted, was the tenant under an earlier tenancy of that dwelling-house which was a protected tenancy, that earlier tenancy is not a protected tenancy.

So the exclusion of the tenant from the protection of the Act, which section 5A(1) would not wish achieve in respect of a tenant, August 14, 1974, tenancy, itself excluded if the requirement of section 5A(3) were fulfilled.

The only ground on which it can be suggested, and the Judge held, that the requirement of subsection (5) (b) were not met, was that the tenancy was a tenancy of a dwelling-house by virtue of this section (i.e. section 5A) that the first tenancy was not a protected tenancy by virtue of something else, viz. the provisions of the 1974 Act as set out in paragraph Schedule 3.

The purpose of the transition

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Bernard Levin on the Moors murderers and how politics and public opinion affect their chances of parole

Is there any chance of Myra Hindley ever being freed?

It has now been officially stated that Myra Hindley and Ian Brady will be considered for parole in the course of 1978; considered for parole, not necessarily given it. This, of course, means that the Home Office, and possibly the Parole Board, have now caught up with Lord Longford, who has been pressing the case for such consideration for some time now, notably on a television programme which, a few months ago, caused considerable uproar. The uproar partly concerned the nature and format of the programme; I did not see it, and since it was impossible to disentangle the row over the programme from the question of substance—to wit, whether either or both of them should or should not eventually be released—I decided to say nothing, though in this matter I am of Lord Longford's opinion. The fact that the programme having now died down, however, it should now be possible to discuss without distraction the case for and against the release of these prisoners, and I propose to do so today. (Strictly speaking, incidentally, a prisoner serving a life sentence cannot be released on parole, only "on licence", but the principle is the same, and I shall use the more familiar expression.)

The case illustrates to grim perfection the confusion that surrounds—indeed, that constitutes—our society's attitude to imprisonment and the reasons for it. In theory, punishment is meant to reform those who undergo it and to deter any who might be tempted to emulate the actions of the punished; in addition, it is sometimes (though not so often as it ought to be) intended as retribution, so that it ought to be meted out to wrong-doers irrespective of any practical effect it might have. Officially, though, the last argument has no place in our penology, and the state's duty is supposed to be limited to ensuring that criminals are punished in a manner which gives the greatest hope that they will not do it again (this includes the element in the theory which is simply concerned with protecting society against those who are too dangerous to be loosed upon it) and the greatest chance of rehabilitating others from doing as they did.

The deterrent effect of the life sentence imposed on Miss Hindley and Mr Brady for the appalling crimes of which they were both justly convicted is, of course, obvious. The origins of the impulse that drove them to such evil are buried deep in the human psyche; whatever they may be, they are not to be reached by any probe of reason. Those capable not only of conceiving but of carrying out sadistic practices of the kind involved in their case are incapable of weighing the consequences for their victims, or indeed of understanding them.

Next, reform. Here we come to territory on which there are recognizable landmarks. Lord Longford, who has visited Miss Hindley frequently, and a recently-released prisoner who had seen much of her in prison, are both convinced that she has genuinely repented of her crimes, and would be no danger to society or anyone in it if she were now released.

Such testimony is obviously not conclusive. It is, however, presumably supplemented by various reports on her behaviour and attitude prepared by the prison authorities and other individuals and bodies whose duties include the making of such observations and the preparation of such studies. Certainly, if the Home Secretary were to contemplate releasing Miss Hindley he would have a formidable body of evidence on which to come to a conclusion. And if he is of the opinion that she has not repented, and that she would be a continuing danger if released, he should say so.

But that brings me to the confusion of which I speak. For it is dreadfully clear that even if it were agreed on all hands that in no circumstances would she ever do anything criminal again, the present Home Secretary would be reluctant to release her, simply because he would be unwilling, for political reasons, to face the inevitable fury. And the inevitable fury is, of course, based on the theory of punishment that is supposed to have no place in our system, to wit the retributive. Myra Hindley did terrible things to innocent children; therefore, runs the instant but unreasoning answer, she must rot in jail for the rest of her life.

But I do not see the force of that "therefore". If she is still a potential menace, then she must certainly not be released, at any rate unless such conditions and safeguards are arranged as to ensure that she is unable to do further harm. But if she is not—if, in short, she would be released, were she any other prisoner—then her continued incarceration is indefensible.

The abiding hatred of the close families of the victims in this case is understandable (I gather it was expressed with vehemence on the television programme I referred to). Such hatred, like all hatred, is inevitably damaging and corrosive in its effects on those who nurture it, but the horrible wickedness of what was done to their children is such that it would require something not far removed from sainthood to come to terms with the feelings it arouses. But though we surely all feel revulsion at the crimes, and it will be a sorry day for our society when we feel anything less in such circumstances, the rest of us have no right to the desire for revenge that possesses those whose children died.

In particular, the Home Secretary and the Parole Board have no right to such feelings, and above all no right to act on them if they have them. An earlier Home Secretary displayed an unnecessary eagerness to condemn the action of a wise and experienced prison governor who took Miss Hindley out for a walk; that was Mr Robert Gajdardzik, the present holder of the office is unlikely to be less responsive to political pressure than he. It is therefore even more unlikely, whatever advice he may get, not only from Lord Longford and other outsiders who have spent time with Miss Hindley, but from his professional advisers, that the Home Secretary will be willing to authorize the taking of even the first step on the road to her release. Yet I repeat: if all necessary conditions are met, and all fears are satisfied, how can it be right to keep her in jail when any other prisoner would be released, only because of the ugly clamour that would follow? (And even the Parole Board's chair-



Myra Hindley and Ian Brady: they will be considered for parole next year.



Rhodesia: where the Africans stand on both sides of the 'front line'

The blacks who fight for the white regime in Salisbury

Bulawayo
A group of about 20 Africans squatted quietly outside the main gate of the Rhodesian African Rifles (RAR) depot at Balla Balla, about 40 miles south-east of Bulawayo, waiting for the next selection course to take place. The course lasts about three days, and if successfully completed the men are then transferred to a "waiting area" for two to three weeks before they begin formal training with the RAR. Every day there is a queue of Africans outside the depot gates. They come from all corners of the country to join the regiment, which is doing a major part of the fighting in the present war against the guerrillas belonging to the Patriotic Front.

It is one of the paradoxes of the Rhodesian war that there are more black than whites fighting against an organization whose supposed aim is to "liberate" blacks from white domination. More than 80 per cent of the regular Rhodesian security forces are black. Even if white national servicemen and police reservists are taken into account, blacks still account for well over half the total force—and their numbers are growing daily.

At the moment there are two full RAR battalions in operation and a third may be formed shortly. The RAR also operate a number of "independent" companies which are racially integrated units with black and white officers and non-coms commanding white national servicemen and black regulars. Virtually all specialist units, such as the Selous Scouts or Grey Commandos, contain a substantial number of blacks.

In fact, Major Peter Morris, the RAR commanding officer at Balla Balla, said, "there is hardly a 'stick' (the basic military unit) anywhere in the country that does not have blacks in it."

There are other reasons why Africans want to sign on with the RAR. One of them is undoubtedly for the pay and the good conditions of service. There is a high level of unemployment among blacks in Rhodesia, and the army offers a reasonable and regular wage (although less than white soldiers are paid) plus many fringe benefits.

Another seems to be a desire to get back at "terrorists" who may have attacked their village or killed members of their family. One bearded black soldier, a member of the 1st Independent RAR Company based at Victoria Falls some 300 miles north-west of Bulawayo, explained "I want to kill those who are killing my people."

The soldier was a member of a seven-member "stick"—two white national servicemen and five black regulars—which had just returned from a patrol along the banks of the Zambezi River. The unit is totally integrated. The men not only fight together as equals, they sleep in the same hut back at base camp "graze" (eat) together and spend their nights together in the local bars.

The company's mortar squad had also returned from a morning's duty in the bush. It comprised two black NCOs who were instructing two white national servicemen. One of the whites, who had been in the army five and a half months, said he had no reservations about being given orders by an African so long as the African knew his job.

The cold-blooded professionalism of soldiers like these is clearly required by any black government which may emerge as a result of the talks currently taking place between the Rhodesian and three internally-based nationalist organizations—the United African National Council (UANC) led by Bishop Muzorewa, the African National Council (ANC) led by Rev Ndabandwe Sibhelo and the Zimbabwe United People's Organization (ZUPU) led by Chief Chirau.



Side by side: blacks and whites under arms for Mr Smith.

Tribal differences rob the guerrillas of unity

The guerrilla forces ranged against Mr Smith's troops make a fascinating contrast. In Mozambique, they are, quite clearly, no match for the Rhodesian forces. In Zambia, however, they are training as a real army.

Latest reports suggest that the recent incursion by the Rhodesians into Mozambique killed as many as 2,000 men. Their appalling slaughter was inflicted with scarcely any loss, and no doubt confirms the white regime's grim satisfaction that it has—as yet—nothing to fear on that front.

The picture in Zambia is quite different. Mr Joshua Nkomo has been building up his forces with remarkable speed and effectiveness over the past 18 months. According to the latest estimates, he now has at his command 6,000-7,000 trained men and another 10,000-15,000 on the way. Training is done partly in Zambia and partly in Angola, almost entirely by Cubans.

Mr Nkomo has committed no more than about 400 guerrillas to guerrilla action against Rhodesia. His aim, which has been very successful, has been to strengthen his political position by the formation of an efficient fighting force.

Thus Mr Nkomo now stands far better in the Patriotic Front than does his co-president Mr Mugabe in Mozambique, whose forces are weak and untrained. (The Mozambique Government does not want Cubans on its soil.) Although the aim has been to keep about 3,000 guerrillas operating as guerrillas against Rhodesia, the command structure is very haphazard, and they have had little impact.

The other element in the military position is the emergence of tribal feeling again. Most of Mr Nkomo's recruits are Mozambicans, from the north-west of Rhodesia. The Zulu army in Mozambique is many Shona, with a large part of its leadership Karanga—as it happens, the same tribe as most of Mr Smith's black troops.

Mr Nkomo has been very careful to avoid provoking tribal rivalries, but a certain division of feeling is only natural. In addition there are personal friendships and enmities between the guerrilla leaders, which go back a long way. At all events, up to now, there has been little success in bringing the two sides of the Patriotic Front together.

There has even been some speculation that Bishop Muzorewa, whose following inside Rhodesia is mainly Shona, and who has recently been vowing his military support, might in the end seek an attractive partner to Mr Mugabe.

In practical terms, Mr Nkomo, widely regarded as the most politically experienced candidate, has enhanced his claims by his military backing. His men are not short of arms, presumably supplied from Soviet sources, and may even have some more advanced weaponry such as rockets. In due course, Mr Nkomo will have to be brought into the serious talks, directly or indirectly, as Mr Smith has been for the moment he is biding his time.

David Spanier
Diplomatic Correspondent

Missing out, but not in the upper register

Having received (at last) some measure of the Christmas Spirit when I attended Ted Heath's carol concert on Monday night, I was desperately depressed to learn yesterday that his voting record during the past 12 months was less than a former chief whip might desire.

He has, according to *The Political Companion*, voted in fewer than 50 of the 234 divisions in the session ending October 1977. Only 23 other MPs have achieved this singular record, though none (I suspect) with such excellent excuse as leading me and Lord Longford in a melody of carols as the 10-o'clock division bell rang.

The *Companion* tells me that while the former Tory Prime Minister has been slack, Sir Harold Wilson has improved his voting record from 33 per cent to an astonishing 60 per cent. Which only goes to show that nothing becomes a man in high position so much as the leaving of it.

But I digress. The carol concert, with Lord Longford and me stuck up (appropriately) in "the gods" at Central Hall, was a great success. Mr Heath ad libbed (but looked tired), Lord Parn sang lustily (but flat) and

a vast crowd of carollers sang lustily. Proceeds from the concert (and I would like to point out that it was in aid of the Silver Jubilee Appeal and I paid for the tickets) will help young people. It was therefore disappointing that several journalists fought in the foyer beforehand for freebies and then immediately adjourned to the local hostelry.

Papering over academic cracks
University College, London and the Nilot plant of the sedge family known as papyrus to gether like Liddell and Scott. For the past 30 years UCL has been the world centre of papyrology, as it has explored the rich harvests of papyrus from Oxyrhynchus, the vanished Ptolemaic town to the west of the Nile.

Eric Turner, the Professor of Papyrology who has led the expedition since 1948 and has rescued so many treasures of literature and scholarship from the black abyss of time, has calculated that there are enough papyrus still unexamined to keep the explorers busy until at least the end of the century. Who knows what else lies buried in those mounds of fragmentary and fragile paper? Another missing page from Menander? Byzantine texts of

something long lost by Horace or Catullus? It is unthinkable that Professor Turner should not be replaced when he retires at the end of the academic year.

Credibly, somebody seems to be thinking of it. The professorial board understandably recommended at once that the post should be renewed and another Reader in Papyrology appointed, who might in due course be given a personal Chair for eminent services to learning.

But the Academic Development Sub-Committee, a senior planning body, has reviewed this recommendation twice, and the matter is still in suspense. It is apparently being suggested seriously that papyrology might be put in cold storage for a time, or a junior appointment be made to lead the research in which London leads the world.

If UCL abandoned Oxyrhynchus, it would be throwing away one of its most golden and most promising glories.

The explanation, I understand, lies in the steady stream of people who want to decipher the copious notes with which the artist accompanied his drawings.

For a reason which nobody seems to be quite sure about (though the most popular theory is that he was left handed and did not want to smudge the page) the artist wrote not from left to right, but from right to left.

Judicious handling of the mirrors (provided free of charge by female staff at the RA) will unlock all mysteries. Provided, of course, that you have a working knowledge of medieval Italian.

Mr Ward (who is older than I am, but looks half my age) stroked the moustache he is growing for *Rear Column*, Simon Gray's new play which opens in the West End in February. The cold-blooded professionalism of soldiers like these is clearly required by any black government which may emerge as a result of the talks currently taking place between the Rhodesian and three internally-based nationalist organizations—the United African National Council (UANC) led by Bishop Muzorewa, the African National Council (ANC) led by Rev Ndabandwe Sibhelo and the Zimbabwe United People's Organization (ZUPU) led by Chief Chirau.

Surprisingly, however, the black soldiers show little interest in the Salisbury talks and hardly any of them supported the three nationalist organizations taking part. A black sergeant at the Victoria Falls base explained: "You cannot work for a nationalist leader and be a soldier at the same time. We are just here to fight for whichever government is in power." One of the company's black trackers who used to work for a safari company until it had to shut down because of the war, added through an interpreter: "I am a tracker, that's my life. I am not interested in these talks."

The white members of the RAR company do follow the talks but seem convinced that Mr Smith will pull something out of the bag which will save them from black rule, or at least ensure that a black government will preserve white interests more or less intact. "If the country remains stable and we can live like we are now, then that's fine," said one white trooper. "But if it goes like Zambia or Mozambique then I am not going to stick around."

No one, it seems, could envisage a black man taking over as commander of the RAR if a black government comes to power. "That's going to take years because they are only being trained as trackers at the moment," said Major Morris back at Balla Balla. "You can't just promote a black man in general because he is black."

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RHODESIANS SEARCH FOR SECURITY

The talks between the Smith government and the three internal black Rhodesian groups have resumed to grapple with the key issue: safeguards for the white minority. Mr Smith has to all appearances now conceded every one of the first five British principles for a settlement.

When that sixth principle was put in, contemporaneously with Mr Wilson's quest for a formula for "unimpeded progress to majority rule" in the Tiger, then Fearless, talks, it seemed a make-or-buy deal. The real safeguards for the whites in these far-off days were entrenched in proposals for a longish interval, the lifetimes of several governments if not of Mr Smith himself, for the transfer of power, during which both races could adapt. Now that Mr Smith has conceded adult universal franchise and a black majority in parliament in 1978, the problem of safeguards becomes the key to the log-jam. For he has introduced (or reintroduced) provisions for white security that undermine the concession of majority rule itself. His agreement to one man one vote did not, as was first assumed by Bishop Muzorewa, Mr Sihole and Chief Chirau, mean a single voting roll without qualified franchisees, whites voting with (and being outvoted by) blacks. Mr Smith has dodged back to separate voters' rolls, so organized as to enable the white electorate to vote for a third of the members of the assembly—

enough to produce a "blocking third" to veto constitutional changes—while four million blacks vote for the other two-thirds.

Of course it will not do. For one thing, unless an African party won an overwhelming majority of seats the blocking third would become the balancing third, without whose agreement even ordinary legislation could not pass unamended. Even an unlikely possibility of this happening constitutionally would provide the frontline presidents, the United Nations, Ambassador Young and Dr Owen, and above all the Patriotic Front, with a solid argument that Mr Smith was organizing a puppet regime, and that the Bishop had sold out if he swallowed it.

The whole point of Mr Smith's concessions is surely to produce a responsible black government, excluding those who will not abandon the armed struggle, accepted by the world as the choice of the black people of Zimbabwe, and it would be lost by any such provision to entrench white security. The war would go on, and would probably be lost by the new regime even with white support. If there is to be an internal settlement that can be defended diplomatically as well as militarily from Salisbury, the two-roll device for producing blocking thirds must vanish from it.

Nothing Mr Smith can now negotiate will give white Zimbabweans full security. This pill must be gulped. Once the transition is made their security depends on their usefulness. This can be great to a moderate black leadership, technically, economically and (so long as the

guerrillas fight on) militarily. Treating the whites fairly is the guarantee of the proposed Anglo-American loan to strengthen an already resilient economy to provide more black employment and black farming opportunities. This consideration would not weigh with a Patriotic Front regime, which could and well might rely on the new Russian-organized colonial service, mainly staffed by Cubans. It thus makes sense for the whites to trust men like the Bishop. There is no halfway house.

It must be faced that even with every possible paper safeguard, such as a bill of rights and provisions for an independent judiciary, Zimbabwe may ultimately prove uninhabitable by a white community. For example it cannot be known whether the injustices of the Rhodesian regime, the teeth of anti-white feelings which will grow into punitive actions, even violence, when watered by true black power. The ultimate sole white safeguard is withdrawal, to South Africa and elsewhere; to preserve this, it is citizenship rights and compensation arrangements that alone are relevant.

To provide such a fallback resort, the Rhodesians need guarantees from Britain and the United States for their gamble. If asked for them, Britain and the United States must be satisfied that the settlement is real and irrevocable, and such as will enable them to say that it transcends the white paper and justifies international recognition and an end to sanctions. It remains to be seen if such a settlement emerges in the two months that Mr Smith foresees as the time needed for a "breakthrough".

TO WHAT FUTURE ARE THEY RELEASED?

At a symbolic ceremony attended by diplomats and foreign correspondents in Sumatra yesterday 886 Indonesian political prisoners were released. They were part of the 10,000 whose release was promised many months ago by the powerful security organization. Many have been more than ten years in detention without trial. Next year 10,000 more will follow and in 1979 a final 10,000. All these are in category B, those deemed to have been involved in the 1965 coup but for whom evidence is insufficient. There still remain 1,925 category A prisoners awaiting trial for their active participation in the coup and another 1,125 of cases still not classified.

It may be wondered whether the Indonesian Government deserves any credit for these releases in face of constant criticism from bodies such as Amnesty International and the International Commission of Jurists. Even allowing for the figures—which Amnesty believes to be understated—what of the prisoners' guilt? Whatever the Indonesian Government may choose to believe, many outside observers think that the 1965

coup was initiated by a left-wing group of army officers and not by the Indonesian Communist Party as such. This makes the guilt attributed to any member of that party and many thousands more alleged to have communist sympathies a post-coup assumption and no more.

These are the arguments from the past. What of the future for those released? Have they been given their freedom? We are told that those leaving the camp yesterday appeared apathetic towards their release. And well they might be. A renunciation of their communist ideology and a pledge of loyalty to President Suharto given at the ceremony was not the only thing required of them. They also had to show that in the camp they were allowed a way of life in accordance with the approved doctrine of Pancasila. Then their families had to accept them back, which many have been unwilling to do lest the security of the family might thereby be endangered. At one women's camp the commandant admitted that 95 per cent of prisoners' families had refused to receive their relatives. And even when families are

brave enough to consent of neighbours is also needed.

When all these hurdles are overcome the prisoner must show that he has a guaranteed job to go back to. The rare few who pass all these tests must still face six months of house detention followed by six months more of restriction to town or village during which weekly reporting to local government organizations will be required of them. Obviously the majority will fail to meet such onerous stipulations. For them, scattered over the Indonesian islands, are resettlement centres awaiting "volunteers". These are mostly in Sumatra, Kalimantan and Sulawesi and those who are from those parts have at least the hope of a life lived within reach of the homes that they could visit. Java has no room to speak of for resettlement. For the majority from Java, over-populated island resettlement means desolate islands like Barru or such similar settings that Indonesia offers as the tropical equivalent of Siberia. They will get land and material to build a house with but that is not very promising when their new freedom amounts to moving from one camp to another.

STATE BOARD FOR RACING

The Jockey Club has been criticized in the past for being an anachronistic, self-perpetuating body with attitudes appropriate to a past period of social history. That assessment was exaggerated, but contained a measure of truth. Racing is now a substantial industry, with ramifications of importance to the country's economy. It generates, directly and through the betting industry—indirectly, employment for more than 100,000 people, and contributes, through betting, more than £100m to the Treasury. The control and government of racing has nevertheless continued to be vested in a body which is, to a large extent, unaccountable for its actions and impenetrable to all but a very few. In the past two weeks, however, the Jockey Club has shown signs that it has taken to heart much of the criticism directed against it and is prepared to react to it in a positive way. Earlier this month it announced that it had for the first time admitted women to membership. That might seem a belated move in recognition of the enhanced

status of women in society, but it was, for the Jockey Club, an almost revolutionary step.

Yesterday, it revealed an astonishing about-turn in its attitude to the future of racing in Britain. Having previously expressed to the Royal Commission on Gambling its strong opposition to the concept of a national racing authority to govern the industry, which would take over some of the powers now exercised by the club itself, it has changed its mind. In supplementary evidence to the commission, it has put forward its own suggestions for such an authority. The Jockey Club would have two of the ten places on the new body, with the Home Office appointing three others, including the chairman, and other interests in the racing industry holding the remaining five places.

The detail needs elaboration, but the proposal is, on the whole, sound, and it is greatly to the credit of the Jockey Club that it has reassessed its former view and reached the conclusion it has now put forward, especially as it involves the club in divesting itself of many of the powers

and much of the decision-making authority it has had since racing first became organized. The new proposals are broadly similar to those of many other bodies which have given evidence to the Royal Commission, and it is also clear that the commission itself—which should report in the second half of next year—has been thinking along the same lines. Jockey Club opposition would have made implementation of a recommendation for an overall racing authority difficult. The way is now open for such a step to be taken with the full participation and support of the vast majority of racing interests.

The proposal would not amount to nationalization of racing. It would cost the taxpayer very little, since revenue for racing would continue to come mainly from levies on bookmakers. It would ensure that decisions would be taken by those intimately concerned with the industry, over a much broader base than is the case at present. The reconsidered attitude of the Jockey Club can only be to the benefit of racing.

Han dynasty happenings

From Dr Michael Loewe
Sir, The account of the astronomical observation made in China for the year 5 BC (*The Times*, December 13) must be read in its appropriate context, which is that of the history of China and the significance that was attributed to strange occurrences by officials of the Han dynasty.

At the time it was believed that there was a unity between the realms of Heaven, Earth and Man, and that the activities of any one of these realms corresponded with those of the others. Disturbances in the heavens or on earth were closely related to human actions, and served to point out the error of man's ways or acted as a warning of impending catastrophe. This belief bore consequences of a dynamic and political kind; reports of strange phenomena could be used to criticise authorities of state for the failure, misdirection or oppression of government.

The *hsi-king*, or *nova*, which was seen for 70 days from the second

month of 5 BC was linked, perhaps retrospectively and with the benefit of hindsight, with an important and potentially treasonable suggestion put forward in the sixth month. At the time the Emperor lay ill and there was no heir to the imperial throne. Some believed that the Han dynasty had run its course and stood in need of reedification by both symbolic and practical actions, and an edict ordered certain changes to be made with this intention. But unfortunately these measures failed of their purpose; the young emperor's illness continued unabated, and the death penalty faced those who had suggested that dynastic changes were due.

The *hsi-king* was by no means the only portent to appear in 5 BC. At the very moment when senior officials of state were receiving their charge, an unexplained sound of bells ringing was heard in the court. At another time there was a report of the birth of a three-legged child. In 4 BC seven 80-foot long monsters were cast up on the shores of East China; elsewhere the hewn

timbers of a rotten tree suddenly arose of their own accord; and from another fallen wooden column there sprouted a branch shaped like a human being, strangely coloured and bearing hair.

Sir, the people of Han China lived in strange times, and they were quick to note the disturbances of the natural order and to invest them with a political significance. There was indeed a brief soteriological movement gathering strength in China at the time, and culminating in 3 BC in mass meetings of those who called on the Queen Mother of the West for protection and the gift of immortality. Your readers may be interested to note that there were some who regarded strange emanations in the heavens, seen on March 4 6 BC, as an omen that predicted that strange outbreak of popular feeling. Yours faithfully, MICHAEL LOEWE, Faculty of Oriental Studies, University of Cambridge, Sidgwick Avenue, Cambridge. December 16.

Chinese lessons for the West

From Mr Gerald Foley
Sir, A fifth of the world's population live in China in a manner which avoids some of the worst problems of other parts of the world. This undeniable fact is what makes China so fascinating and important.

But like everything else the achievement of China has its price. The crucial issue is not whether there are merits and disadvantages in its system—any sane person would admit there are both—but what is the balance between them. Many now fear that the price we are in danger of paying for Western freedoms is a precipitate collapse of the system as we reach the end of readily available energy resources. If the free collective decision of the UK is to blow its North Sea resources in less than a generation, and before we have any idea about how to get on without them, we have some serious thinking to do. We cannot afford the complacent assumption that the liberal democratic system is not itself a costly carry a price, and one which may in the end be disastrously high. China offers us a model of how things might be done differently. We should look at it as clearly as we can, and learn from it. Bernard Levin may feel it is his duty to retail solely the disadvantages of the Chinese system as a balance for the sorry-eyed praise of the China worshippers. It would be more useful if he could use his talents to help us to understand the reality. Yours faithfully, GERALD FOLEY, 12 Whitehall Gardens, WA.

The Unification Church

From Mr John D. Wheeler
Sir, I congratulate *The Times* upon the series of articles about the activities of the Unification Church, more commonly known as "the Moonies". You have rendered a considerable public service in making more widely known the insidious nature of this so-called "cult". I have the misfortune to have the headquarters of "the Moonies" in my constituency area and know from experience the great damage that can be done to families and society by the members of this sect. The sect used by "the Moonies" are incompatible with freedom and the independence of the individual. It is true that their method of indoctrination of the individual into the cult amounts to a form of brainwashing. In our free society, people must be free to choose, and since it is not possible for Parliament to legislate against the specific nature of the Unification Church and the way it operates, JOHN D. WHEELER, Prospective Conservative Parliamentary Candidate, 92 Bishop's Bridge Road, W2.

From Mr E. D. Trubshaw
Sir, I read with surprise the article by Diana Parr (December 12) alleging growing protests about Moon Cult activities which, among other things, are said to teach children to hate their own parents. Our young son has been a member of this movement for three years, during which time my wife and I have enjoyed a close and affectionate relationship with him; we will be spending Christmas together. Perhaps some parents react too strongly to what is probably the first real assertion of their child's intellectual independence, producing all the consequent tragic family tensions that neither my wife nor I have any connexion with the Unification Church. Yours faithfully, E. D. TRUBSHAW, 31 The Broadway, Wolverhampton.

Saving the Mostyn flagons

From Mr Arthur Grimwood
Sir, While not denying the beauty and quality of the Mostyn flagons, may I be allowed to question my old friend Mr George Levy's description of them in his letter published by you yesterday (December 15) among the most outstanding masterpieces of English silver of the Elizabethan period still in existence?

We do, in fact, have fortunately a number of other flagons of the period still in their original homes. First comes the impressive pair of 1576 belonging to Cirencester Church engraved with a charming representation of the church, next is a pair of 1583 at St George's Chapel, Windsor, marked by a copy of 30 years later. From 1587 dates the example at St Mary Woolnoth Church in the City, slightly larger at 14½ inches high than the Mostyn examples and of equal beauty with very similar engraving. A smaller flagon of 1597 belongs to Christ's College, Cambridge, and two beautiful pear-shaped examples of 1598 originally bequeathed to Eton College in 1631 are now divided between the Churches of Worplesdon and Mapledurham. Another pair of the same year with the arms of Bishop Coxe at its foundation, Corpus Christi, Oxford, and again of the same year another finely chased pear-shaped pair at Wadhwa. New College has a pair of plain flagons of 1602 after which we reach the James I period from which many examples survive in both college and church possession. It is true that there are Elizabethan flagons in the Kremlin which have been there since presented by English embassies to the Tsar and one fine pair of 1597 are now in the Pulitzer Collection in the Metropolitan Museum, New York, but to suggest, as Mr Levy's letter seems to do, that the loss of the Mostyn flagons would be a disaster to our heritage is, I would submit in the light of the above evidence, scarcely tenable. Yours faithfully, ARTHUR GRIMWOOD, Garrick Club, WC2.

Progress towards European elections

From Lord Gladwyn
Sir, It is generally agreed that the decisive defeat of proportional representation for the European elections by a combination of anti-European and those chiefly interested in party politics means that such elections cannot in all probability be held in this country until the spring or early summer of 1979. Our remaining European friends in Strasbourg should realize that more optimistic forecasts may well be misleading. For during the coming year, and no doubt before the present Bill has received the Royal Assent, there will now quite likely be a general election, and the whole thing will have to start again from scratch. Even if this is not so, it is probable that the anti-European will continue to dominate the proceedings until the autumn, and thus make a 1979 European election inevitable.

Since under existing agreements European elections cannot take place unless all members of the EEC participate, we shall be severely blamed for putting them off for a year and quite possibly for longer. Moreover, the effect on the development of the Community will, in spite of attempts to minimize it, be deplorable, and possibly disastrous. Whether this is accepted or not, nobody can deny that such postponement will have an adverse effect on any extension to the part to reform the Community or to make it more congenial from our point of view. How can we avoid such unpleasant possibilities? The obvious proposal is to have a referendum on the subject, but it might be considered.

We should ask our partners to proceed with their own elections in May/June of 1978 and at the same time authorize us, by means of a special protocol, and as a purely temporary measure for a limited period, to nominate, until such time as we can pass the necessary law, our 81 members of the new Parliament from among members of the Parliament of Westminster in accordance with a broad estimate, to be decided at a Speakers' Conference, of existing political support in the country and the various political parties. This would ensure that votes taken in the new European Parliament would be genuinely representative of all European political tendencies.

Thus the two major parties might conceivably agree a ratio of representation of (say) 32 or 33 each, the Liberals about 6-8, the Scottish Nationalists 3-4, the Ulstermen 3, with, possibly, one Welsh Nationalist—but these figures are purely illustrative and would have to be agreed in detail. In order to spread the load, it might be agreed that about 50 of the 81 should come from the Commons and the remainder from the Lords, including the 10 former members of the House of Commons as possible. It is true that it might be difficult to find suitable MPs prepared to assume extra burdens, but they might only serve for a short period and the Government in selection much attention would also be paid to regions. There would thus be a genuinely democratic

element in the nominated delegation.

The temporary nominated members of the Parliament would receive only their vouchered for expenses plus an agreed additional remuneration which would be subject to UK tax. After a general election, if that should take place before our law for European elections comes into operation, they would either be re-nominated, or left in dock. On that occasion there was a not inconsiderable interest displayed in the fate of these buildings and in trying to retain them.

The site is owned by the Inner London Education Authority who have applied to the GLC for outline planning permission to develop the site for a polytechnic despite the fact that this is not in the joint dockland plan. However, so far neither has this application been approved nor has the ILEA proceeded with any detailed plans of their intentions for the site. At the same time there are others, local people, who have worked up plans, now with the borough council, to convert the site into a run-down area, and in an architecturally exciting scheme.

Since this background the ILEA began, on Wednesday (December 14), without warning, to demolish the unlisted buildings on the site, unlisted but still attractive and, as they are the majority of the buildings, a serious loss to the unity of the area and of its character. This, given the working of our planning system, neither the GLC as planning authority nor the Secretary of State can prevent.

The action is pre-emptive—exactly as I warned in the Lords—not only the GLC's decision on the ILEA's outline planning application but also the possible conversion of these buildings either for use as a polytechnic or for some other use. Moreover, the demolition began without any of the interested parties being informed; even the borough council seemed startled by the suddenness and apparent secrecy of the operation.

So yet again, despite recent reassurances from the Department of the Environment and County Hall, we are faced by demolition-happy officials operating behind closed doors. The chance of creating a viable community giving employment and housing to a run-down area has been lost. Some fine historic buildings have been destroyed. All this done only to create a sterile concrete wasteland surrounded site of rubble to lie waste and idle while the ILEA mulls over the possible use which they may have for the land (many years hence).

It may be that the site is suitable for a polytechnic, though there are reasons to doubt this; it may be that the existing buildings would be difficult and uneconomic to convert, though independent expert advice has questioned this; it may be, as the ILEA claim, that by keeping the buildings they would incur a massive rate burden. But none of this is excuse for the seemingly covert and secretive manner in which a ruthless and, yet, justified demolition of more historic buildings has been rushed. Yours faithfully, NORTHFIELD, HOUSE OF LORDS.

Jumping the gun on demolition

From Lord Northfield
Sir, On July 11 this year I raised in the House of Lords the future of the very attractive and historically interesting collection of warehouses in the Free Trade Wharf area of Wapping in London's East End. Very few groups of buildings as fine as these, originally built by the East India Company, are now left in dockland. On that occasion there was a not inconsiderable interest displayed in the fate of these buildings and in trying to retain them.

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The price of petrol

From the Chairman of the British Railways Board
Sir, Michael Baily, your transport correspondent, has shown real judgment in the handling of the story around my views about petrol prices. I have been interpreted from a quotation in the interview with the *International Railway Journal* as a call for a price increase, in the price of petrol per gallon. But the context makes my meaning perfectly plain. I was not advocating that petrol should go up overnight by 13p a gallon, but rather drawing attention to the amount by which the real price of petrol had been allowed to fall since 1975. I was stressing the need to relate the price of petrol to an overall national energy policy.

As a national industry (and a relatively efficient user of energy in the transport field) we have no desire to see the nation's scarce resources squandered. As an operator in a very competitive transport market we certainly do not wish to see the gap in costs between relative modes of transport being allowed to widen artificially.

This is not a road versus rail argument. It is a question of energy policy in the longer term. We have confidence in our own contribution to the energy problem.

Yours sincerely, PETER PARKER, Chairman, British Railways Board, 222 Marylebone Road, NW1.

The courteous gull

From Air Marshal Sir Leslie Mavor
Sir, Could not the answer to Mr Dawson's question (December 7) be that the seeming courtesy of the gull on the flagpole arises from the knowledge that he is in no position to argue? If he stands his ground, he fights from a precarious foothold, whilst if he takes off to contest possession he will be at an immediate and serious disadvantage in height and speed. So the sensible course is to make, if not another flagpole, knowing that, if retained, it will be surrendered with vacant possession. Yours faithfully, LESLIE MAJOR, Barlborough House, Aine, York.

Working from home

From Ms Tess Woodcraft
Sir, As a group of women legal workers, we are concerned at the number of laws and legal decisions which compound the practical problems women face as a result of their position in society generally. The case of Mrs Hilary Burton, the child-minder who was held by the High Court in Leeds to be carrying out a business and thereby to be acting in contravention of a restrictive covenant on her home, is a clear illustration of this.

The decision has serious implications for women on a number of fronts.

Firstly, if a "business" is carried on at home, it will probably be by a woman. Childminders, mail order agents, homeworkers in a number of skilled and unskilled fields (over half the population are technically self-employed) are almost all women. The reasons are obvious—they have small children to care for, they need to make some money (however little), and they are frequently unable to find alternative work. The High Court decision will either lead these women to give up working altogether, or they will be constrained to work at home at their own risk and with all its consequences.

Secondly, the decision could effectively wipe out childminding (or at least registered child mind-

ing) thereby dramatically reducing the number of child care places available (56,000 children are cared for by registered childminders) and those hardest hit will, again, be women. For although childminding should not be seen as a last resort to community and work based nursery facilities, it is nevertheless the case that working women rely heavily on childminders and a reduction in the number will be a bitter blow especially at a time of cut backs in other child care provision. The decision could also make many currently unregistered childminders even more wary and unwilling to register with their local authorities. Since registration is the only means available to ensure the adequacy of childminders' care and access to it, too, could have serious repercussions for parents and children alike.

Our predominantly male judiciary regard the home as a woman's domain. Complex judgments and judicial decisions bear this out. They certainly do not, however, consider women's needs. When women's rights and property rights conflict, it is property rights which invariably prevail. We have seen this in rulings on the Domestic Violence and Matrimonial Proceedings Act and now, in Mrs Burton's case, we have yet another example. Yours faithfully, TESS WOODCRAFT, Rights of Women, 2 St Paul's Road, N1.

Hospitals for patients

From Mr Patrick MacMahon
Sir, It appears that just before Christmas we are to have a new phase of the old game of bashing the Health Service Administrator. I have every sympathy with the writers of the three letters that you have so far published but I would like to make two fundamental points:

Firstly, Health Service Administrators are becoming increasingly restive at being blamed by their medical and nursing colleagues for decisions and the results of them which were not factually taken by the Administrators in the first place. The example quoted in your letters of the two extra bank holidays was negotiated at national level and the agreement was couched in such terms that it has proved impossible to arrange the two days to fall at times acceptable to everyone. A

much simpler solution could have been negotiated but this has nothing to do with the Administrators who have to organize the consequences.

Secondly, the Health Service has suffered severely in the last three and a half years and with respect to your correspondents the Administrators have spent a very great deal of time and effort maintaining an organization totally disrupted by the events of 1974.

May I suggest as we enter a new year that the patient would be better served if we were able to discuss our problems with one another at local level rather than publicly derogate professional colleagues. Yours faithfully, PATRICK MACMAHON, Chairman, Association of Chief Administrators of Health Authorities, 17 Page Street, SW1. December 19.

Forces' pay

From Lieut-Colonel C. E. Braithwaite
Sir, Perhaps the Prime Minister would care to explain why, and how, the Old Age Pension has increased by 15 per cent and the Retired Pay for Officers by 17.70 per cent for the coming year, whilst at the same time he refuses a decent living wage for serving personnel? Believe me, Sir, I am not complaining of my own very welcome good fortune—I benefit from both increases. Yours faithfully, G. E. BRAITHWAITE, Hill View, Herefordshire.

Belize

From the Premier of Belize
Sir, The Latin American Banking section of *The Times* of December 13, page 11, has a map which excludes Belize. Please do not write us off the map as we exist as a country with all the attributes of independence and only recently the United Nations voted strongly in favour of a secure independence and territorial integrity of Belize. Please support the United Kingdom vote in the United Nations in favour of Belize. Yours faithfully, GEORGE PRICE, Premier's Office, Belmopan, Belize, December 19.

John Foord
CHARTERED
SURVEYORS

John Foord
PLANT AND
MACHINERY
VALUERS

UK controls on investment overseas to be eased under Brussels agreement

From Michael Hovnsby
Brussels, Dec 20

Britain will be required to ease control on direct, and indirect investment abroad from the beginning of next year under an agreement negotiated with the European Commission. The agreement is expected to be approved by the EEC's 13-man executive at its meeting tomorrow.

Although the precise details have not been revealed, it is clear that Britain will not be required to scrap all its existing exchange controls, which should end on January 1, on a strict interpretation of Britain's treaty obligations.

On direct investment, Britain is reported to have agreed to relax the so-called "super-criteria" under which an investment abroad must show a benefit to the balance of payments within 18 months.

The deal, according to informed sources, is that the 18-month period will become 36 months, and the amount of foreign exchange that can be purchased for investment abroad at the official rate will be raised from the current level of £250,000 to £1m.

On the indirect investment side, it is understood that the British have agreed to phase out the 25 per cent "super-criteria". This is the requirement that anyone who has bought investment currency at the special high exchange rate for capital transfer must sell a quarter of the funds at the normal rate when the investment is realized.

Britain is also reported to have undertaken to ease control on personal transfers of capital.

One of the difficulties of the negotiations has been that under the Treaty of Rome exemptions from the rules on free movement of capital are generally justified only to avoid aggravating balance of payments problems.

The Commission appears largely to have accepted the Government's argument that the apparent picture of payments success presented by the latest capital inflow figures is misleading because of the box money element which could be matched by outflows of long-term capital if exchange controls were removed.

Mr. Francois-Xavier Ortoli, the EEC commissioner for financial and economic affairs, is understood to have argued that Britain's present and projected balance of payments surplus needed to be set against the funds needed for repayment of Britain's external debts, estimated at \$24,000m (about £12,835m).

The Commission has thus accepted that for most of the British controls there is a case for further extension of the deadline.

Financial Editor, page 17

Pound jumps further against dollar

By Caroline Atkinson

Sterling jumped higher yesterday, at one point reaching \$1.8875, the asking price for the pound, before closing at \$1.8805, up 70 points on the day.

At midday the effective exchange rate of the pound was up to 64.6, a rise of nearly 11 per cent from the end of last week. By the end of the day the dollar had recovered somewhat against all currencies.

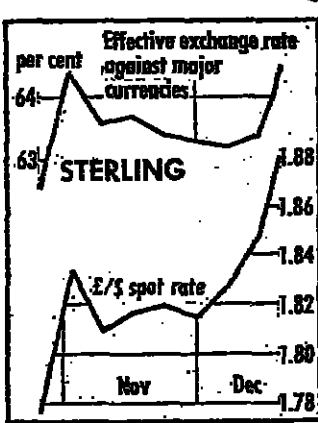
The effective rate index of the pound, based on a basket of currencies, slipped back a little to 64.5, a rise of 0.4 from Monday.

This week's rise in the value of the pound is only in part a reflection of the dollar's weakness. There was a general commercial demand for sterling, in its own right, in most centres.

Dealers are citing "good industrial and economic news" as a possible reason.

This refers to the acceptance by the local authority manual workers of a wage settlement of a little over 10 per cent, and to last week's figures showing an increase in the current account surplus on the balance of payments, and a further fall in the rate of inflation in November.

As the dollar has fallen in the last few weeks more of the pressure has gone into the Deutsche mark, Swiss franc and Japanese yen, with the pound little affected. This may



now change. Governments of "hard currencies" countries have been trying to resist the rise in their exchange rates. They fear that the stable appreciations will damage their export industries and lead to slower growth.

New measures to control the speculative inflow of funds into Swiss francs were announced yesterday. The national bank is offering a three-month swap to banks at preferential interest rates and intends to increase its own market intervention. A director of the Swiss National Bank described the situation as "critical", and current parties as "less economic than psychological".

Japan has been intervening on a large scale to hold down

Opec rises urged to pay debt of Third World

From Roger Vervoye
Cairo, Dec 20

The Organisation of Petroleum Exporting Countries was asked today to increase prices by 5 to 8 per cent to donate the entire proceeds of the rise—between \$7,000m (£3,880m) and \$11,000m—to help pay off the debt of the Third World.

The appeal from Señor Carlos Andrés Pérez, the Venezuelan President, was made at the official opening of the Opec's 5th ministerial meeting. It came as ministers from the 13 oil-exporting states appeared to be moving towards agreement on a freeze on oil prices in 1978.

Normally the opening speech by the host nation of state steers clear of the issues likely to be discussed in the closed sessions that follow. But President Pérez chose the occasion to emphasize that Opec must reemphasize its leadership of the Third World with practical measures of help.

He also criticized the industrial nations for "diffidence and incomprehension" of the problems caused by the indebtedness of the Third World.

His emotional speech was delivered less than an hour after the outgoing president of the organization, Shaikh

Abdul Aziz Khatifa al Thani of Qatar, had said that there were three choices for discussion during the debate over oil prices. These were a freeze on prices, a nominal increase or postponement of a decision for a further six months, which amounts to a freeze while avoiding a word that is offensive to a number of members.

He made no mention of donating a 5 to 8 per cent rise towards the debts of the Third World.

President Pérez suggested that the revenues from the 5 to 8 per cent price rise available for one year should be paid into a fund administered by Opec, the group of 77 non-aligned countries and the International Monetary Fund. He said the growth of debt in the Third World was alarming and dramatic.

"Each day developing countries that lack oil have less possibility of servicing the debt already contracted and at the same time see their purchasing power decrease. A vicious circle without solution in sight is driving the world towards catastrophe."

"The sinking of the economies of the developing countries makes the possibility of recovery of the industrial economies even more precarious."

He added that developing countries without oil had increased their debt from \$40,000m in 1973 to \$180,000m in 1977. Ten years ago the proportion of the debt to the private banking sector was only 20 per cent.

Today it is 40 per cent of this \$180,000m, which means that half of this staggering debt comes from very expensive monies supplied by the commercial banks," he said.

The President said that the Third World "continues to recognize in Opec the pioneering instrument of its cause". But Opec could not be substituted as aid giver for the rich countries whose responsibilities should be linked to the strength of their economies.

Opec had initiated the North-south dialogue in an attempt to help the Third World but this had been unsuccessful. It had just seen the failure of the Geneva meeting for the creation of the common fund. World inflation had continued its process of eroding the value of raw materials including oil, despite the freeze on prices during 1977.

Pressure had been put on Opec "from the highest summits of world economic power" to freeze prices until the world economy improved.

In the meantime the cost of manufactured and capital goods imported had increased. Between January and September this year Opec had lost \$1,500m from the decline in the value of the dollar.



President Pérez of Venezuela opening the Opec conference yesterday

FMC loss blamed on 'dumping'

By Richard Allen

FMC, Britain's biggest meat processor, yesterday blamed "legalized dumping" for a plunge from pre-tax profits of £1,100,000 to a loss of £427,000 in the six months to October 15.

The group, 73 per cent owned by the National Farmers Union, said that the operation of EEC rules on importation of meat, coupled with the continued refusal of the United Kingdom Government to bring the "green pound" more into line with its real value had had the effect of producing a massive loss of sales and Danish bacon producers.

"This grossly unfair legalized dumping has made it impossible for British-based producers, slaughter operators, butchers and processors to compete against those imported products."

FMC added that start-up costs on certain abattoirs had also followed the same result and that reorganization moves already in train should enable the company to return to profitability by the year-end.

The group's directors have also taken the opportunity to reply to "suggestions that consider other than strictly commercial ones influence the conduct of the group's business."

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Renewal of fibres pact a 'turning point' for textiles in Britain

From Our Own Correspondent
Brussels, Dec 20

After all-night deliberations, EEC Ministers of Foreign Affairs and Trade agreed here today to approve the renewal of another four years of the Multi-Fibre Arrangement (MFA) of the General Agreement on Tariffs and Trade.

The ministers made it clear that their approval was subject to the implementation of the "reasonable departure" from the MFA, negotiated bilaterally by the European Commission with 31 low-cost textile suppliers in Asia, Latin America, Africa, the Middle East and Europe.

After the meeting, Mr. Dell, the Secretary of State for Trade, said: "We have obtained very tight restrictions on more than 20 sensitive products, representing about 75 per cent of United Kingdom imports of satisfactory textiles, and on effectively all other sensitive products."

British sources had indicated that implementation of the bilateral negotiations as they stood could mean the loss of 2,000 jobs over the next five years as the result of competition from imports of cotton cloth and cotton yarn from India, Pakistan, Brazil and Egypt.

But Mr. Dell secured some "relaxed" adjustments in the way these imports were shared out among EEC member states, including a reduction of 500 tonnes in British imports of cotton cloth. These imports are particularly sensitive because they enjoy a 70 per cent market share in Britain.

Mr. Dell believed the new MFA would "prove a historic turning point in the fortunes of the United Kingdom textile and clothing industries" and offered a number of important advantages over the old one.

These included global coverage for the most sensitive products, cotton cloth and cotton yarn, synthetic clothing, T-shirts, sweaters, men's and women's trousers, and men's and women's shirts.

Growth rates for imports would also vary inversely to

market penetration, instead of being allowed a flat 6 per cent growth rate every year.

Coverage of the new MFA was also much more comprehensive, providing protection overall for about 98 per cent of British textile imports.

Other advantages were: automatic trigger mechanisms, no carry-over of under-used 1977 quotas into 1978, and stricter monitoring of imports by all EEC members.

Mr. Dell and Mr. Varley, Secretary of State for Industry, last week, said the industry was not euphoric about the decision.

While it supported the strong line which the Government had taken, there was concern that the Commission had exceeded its mandate in relation to agreements concerning imports of cotton yarn and fabrics.

to push forward the industrial strategy and have discussions with individual companies it already had the means at its disposal to do this, through the sponsoring role of many Whitehall departments. There was no need to set up any further formal mechanisms.

Views of accountants sought on ethics code

By Our Financial Staff

Accountants are to be canvassed for their views on a controversial set of proposals to expand and tighten significantly the profession's code of ethics.

The proposals come in the form of a discussion paper issued by the Ethics Committee of the Institute of Chartered Accountants in England and Wales. They are intended as an amplification of the guidance on independence laid down in the institute's ethical code which has been operative since 1975.

The proposals most likely to run into opposition deal with accountants having trustee or beneficial shareholdings in client companies.

In the case of beneficial holdings the committee says shares must not be held by anybody in a practice or close relatives, and in trustee holdings nobody in the practice must be a trustee for a trust holding more than 10 per cent of a client company.

This latter proposal is likely to run into the fiercest opposition from smaller provincial firms which have close links with family companies.

Smaller firms may also be affected by the proposed that fees from one client or group of connected clients must not exceed 15 per cent of the total fees earned by a practice.

Under the heading "Conflicts of Interest" the proposals include warnings on the dangers of advising competing clients or clients in dispute, and the stipulation that any practice where anybody has had a professional relationship with a company within the previous two years may not provide a receiver for that company.

Submissions on the proposals have to be sent to the Institute by April but already there is a clear feeling that the moves have been forced by government pressure on the profession to put its house in order.

They are seen as likely to result in a widening of the rift between the large and small firms and as a further step along the road to a division of types of practices into those allowed to audit public companies and the rest.

US tax cuts may be bigger than expected

From Frank Vogl
Washington, Dec 20

President Carter had a hectic day at the White House today. He signed two bills that will have important consequences for the American economy and sought to complete with his key economic advisers the details of his tax cut proposals.

The President signed legislation that aims to strengthen the Social Security Trust Fund. The new law will involve increased revenues of about \$27,000m (about £12,745m) in the next decade, and add to the tax payments most corporations and all working individuals.

The President also signed a bill that makes it illegal for American companies to bribe foreign officials to obtain business contracts. Mr. Carter stated that this new law "requires publicly held corporations to keep accurate books and records, to establish accounting controls to prevent 'off-the-book' devices which have been used to disguise corporate bribes in the past."

It now appears that the tax cuts that the President will propose, which are largely aimed at offsetting the increased tax burden produced by the new social security legislation, will be bigger than has been widely expected. Some "leaks" to the United States press by top Administration officials indicate that he may propose total tax cuts of between \$25,000m and \$30,000m.

It seems quite possible that about 20 per cent of the cuts will be in the form of reductions in excise duties, with possibly 50 per cent of the cuts affecting the individual income tax and with the remainder being specific business tax reductions.

The overall economic effect of the tax cuts is unlikely to be substantial in 1978, partly because of the higher social security taxes and the prospect of increased energy taxes and partly because the Congress is unlikely to approve the cuts before the summer.

The tax cuts, should they indeed be as large as is now being rumoured will make it all the harder for the President to achieve his declared objective of balancing the federal budget by the end of the 1981 fiscal year.

In the event of a \$25,000m tax cutting proposal it is likely that the estimated 1979 fiscal year budget deficit will be in excess of \$55,000m.

Tighter code for finance houses is ruled out

By Ronald Pullen

Finance houses are unlikely to be subject to rigid balance sheet ratios in the forthcoming legislation on closer control of the banking system.

The August 1976 White Paper on "The Licensing and Supervision of Deposit-taking Institutions" proposed that to qualify for a licence as a deposit-taking institution, finance companies would have to meet statutory ratios, in particular relating to borrowings to shareholders' funds, laid down by the Bank of England.

After lobbying by the Finance House Association, agreement has been reached that the present informal system of control, which is in any case much closer after the difficulties many finance houses found themselves in during the secondary banking crisis, should continue.

Finance houses also appear confident that the concept of the use of the word "bank" for deposit-taking institutions will not be so strictly applied to them as envisaged in the White Paper.

Companies which are not part of the primary banking sector are, therefore, likely to be allowed to keep the word "bank" in their name.

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Mr Dell welcomes measures approved by the Community to restore profitability in steel

From Our Own Correspondent
Brussels, Dec 20

Community member states today gave their blessing to a package of measures designed to raise prices and restore the flagging fortunes of the steel industry in its nine members.

The package includes an agreement to introduce a basic reference price for steel imports for an initial period of three months from January 1.

Mr. Dell, Secretary of State for Trade, said that Britain welcomed the measures. He considered that they would help to improve profitability of the British Steel Corporation, which is expected to sustain losses this year of more than £500m.

Internally, the European Commission will raise the existing guideline prices for a range of rolled products by 15 per cent in instalments of 5 per cent—the first on January 1, the second on April 1, and the rest later in the year. Companies will be asked to observe these prices on imports of products offered at less than the fixed price.

The ministers also agreed that a sum of £20m, representing part of the receipts from customs duties on imports of iron and steel into the Community, will be used to finance the restructuring and rationalisation of the industry.

EEC steel manufacturers are operating at no more than about 60 per cent capacity, and according to estimates by the Commission are expected to lose something in the region of £2,500m this year.

Prices on the EEC steel market are significantly below those outside, notably in America and Japan, but imports have been coming in at ever lower levels, undercutting Community producers by a margin of up to 50 per cent.

BSC approval—The British Steel Corporation said last night that any measures which contributed towards some sort of price discipline in the world steel market had its full support. But to the extent that the traditional trade balance was being disrupted by too high a volume of imports, further moves would have to be taken to restore the traditional balance, the spokesman said.

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to push forward the industrial strategy and have discussions with individual companies it already had the means at its disposal to do this, through the sponsoring role of many Whitehall departments. There was no need to set up any further formal mechanisms.

Tussaud's rejection of ATV bid

Directors of Madame Tussaud's yesterday rejected the £11.6m bid from Lord Grade's Associated Television Corporation on the ground that it placed a wholly unrealistic value on a "utility business".

Lord Grade's 50p share offer came on Monday night as a counter-move to an earlier 45p offer from S. Pearson & Son, which has already been rejected. But yesterday shares of the waxworks company jumped 7p to stand 4p above the ATV offer at 50p as investors sensed a lively takeover battle. There was strong speculation that yet a third suit for Tussaud's was about to step into the ring.

The Tussaud's board yesterday pointed to five shareholders' detailed reasons for its rejection of the ATV bid once formal offer documents have been sent out—probably towards the end of next week.

Ship unions submit their pay claim

British Shipbuilders were yesterday presented with a claim seeking more pay, a 35-hour week and longer holidays for its 85,000 manual workers. The claim is similar to that affecting another 12 million workers presented to the Engineering Employers' Federation on Monday. British Shipbuilders has promised to look at the claim and meet the unions again. The Confederation of Shipbuilding and Engineering Unions is seeking to increase national time rates from £42 to £70 for skilled men and from £33.60 to £55 for the unskilled.

new note of guidance incorporated with the new code of practice which allows advertisers for the first time to indicate that a product is high in potassium and low in fat.

Previously any reference to the polysaturated fat content of products was forbidden in broadcast advertisements.

Unit trust sales heading for record

The unit trust industry is heading for its best year since 1973 with sales in the 11 months to end-November totalling £39m. Net sales, however, are substantially lower at £94m compared with £153m this time last year.

How the markets moved

Rises			Falls		
Assoc Leisure	34p to 54p		Bracken Mines	5p to 50p	
Bejm	3p to 70p		Fluor Gold	10p to 14p	
Burton Corp	13p to 113p		Hammerby	10p to 18p	
Comben Grp	3p to 29p		Kuross	8p to 27p	
De La Rue	14p to 52p				
Glass	10p to 58p				
Great Portland	14p to 34p				
Home Cinema	5p to 120p				
Metel Box	14p to 30p				
Newarbit	15p to 157p				

THE POUND		
	Bank	Bank
	sell	buy
Australia \$	1.71	1.66
Austria Sch	38.00	28.00
Belgium Fr	65.25	62.25
Canada \$	2.10	2.05
Denmark Kr	11.30	10.50
Finland Mk	7.85	7.50
France Fr	9.22	8.90
Germany Dm	4.17	3.95
Greece Dr	78.00	74.00
Hongkong \$	9.00	8.55
Italy Lr	1650.00	1585.00
Japan Yu	475.00	450.00
Netherlands Gld	4.49	4.27
Norway Kr	10.81	9.60
Portugal Esc	81.00	77.00
S Africa Rd	1.90	1.78
Spain Pes	162.25	156.25
Sweden Kr	9.15	8.40
Switzerland Fr	9.13	3.76
US \$	1.93	1.88
Yugoslavia Dnr	37.75	35.25
Rates for small denomination bank notes only, as supplied yesterday by Barclay's Bank, London. Exchange rates for foreign rates apply to travellers' cheques and other foreign currency business.		
F.M.C. (Meat) Ltd		
Meat Head		19
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New rules for advertisers		
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17	Interim	16
18	Monsanto	15

MONSANTO COMPANY AND SUBSIDIARIES				
Statement of Consolidated Income				
(Dollars in millions, except per share)				
	Three Months Ended September 30,		Nine Months Ended September 30,	
	1977	1976	1977	1976
Net Sales	\$1,075.8	\$998.4	\$3,504.0	\$3,235.4
Cost of Goods Sold	872.3	753.8	2,562.9	2,284.4
Marketing and Administrative Expenses	93.2	85.0	292.1	261.1
Technological Expenses	40.2	34.9	129.3	111.1
Operating Income	70.1	124.7	519.7	578.8
Income Charges (Credits):				
Interest expense	20.9	21.0	64.5	57.1
Other-net	(9.7)	(0.1)	(15.4)	(18.5)
Income Before Income Taxes	58.9	103.6	470.6	540.2
Provision for Income Taxes:				
Current	34.1	27.3	179.8	196.0
Deferred	(0.1)	13.1	36.5	25.5
Net Income	\$24.9	\$63.4	\$254.3	\$318.7
Earnings per Common Share:				
Primary	\$0.66	\$1.69	\$6.88	\$8.78
Fully diluted	0.66	1.69	6.79	8.50

Reforms urged in local housing grant terms

By Margaret Stone

The Building Societies Association is continuing to press for changes in the way local authority improvement grants are made.

In the latest issue of *Building Society Affairs*, published today, an article poses the question of "whether the grant system is working as effectively as it might".

The BSA's argument that improvements are needed in the system is based partly on the drop in the number of homes per annum on which grants have been allocated. From a peak of 258,000 (to private owners) the number has dropped sharply to 73,000 in 1976.

There are genuine reasons for some decline, but the BSA believes that the present system of financial support is "not achieving the right results".

The problems are threefold. The first is that the size of permissible grants required is unlikely to be reflected fully in the increased value of the house after the modernization work has been accomplished. These

adverse economics might themselves be ignored, but the BSA says the system requiring repayment of the grant, plus compound interest if the house is sold within five years, is a major inhibiting factor.

The third difficulty relates to the actual allocation of the grant and is what the BSA describes as a "chicken and egg" problem. Basically, a building society will only advance money on an older property if it knows it is going to be made good; at the same time a local authority is prepared to offer an improvement grant only when it is assured that a building society loan is forthcoming.

Extensive discussions between the BSA, local authority associations and the Department of the Environment, have partially overcome these problems. The five-year rule can be waived provided the owner changed houses through necessity.

Secondly local authorities can issue a "promise" that a grant will be forthcoming if a building society loan is acquired.



The Malvern Correlator, an electronics measuring instrument employing laser beams, which is already achieving substantial domestic and export sales, has won the 1977 MacRobert Award for engineering innovation for the team of five which developed it. The five members (from left) are: Mr Stephen Trudgill, managing director of Malvern Instruments, and Dr Roy Pike, Mr Robin Jones, Dr Christopher Oliver and Dr Eric Jakeman, all four of them from the Royal Signals and Radar Establishment. The instrument is the result of a combined

effort by the research team from RSRE and Malvern Instruments, an electro optical company. The project was backed by the National Research Development Corporation which helped the then embryo Malvern Instruments to finance the development and manufacture of prototypes. Six international aircraft manufacturers, a wide range of major industrial companies and a number of research centres have already bought the correlator.

The award, made annually by the Council of Engineering Institutions (CEI), was presented yesterday by the Duke of Edinburgh, a former president of the CEI.

US nuclear stake in Italy is reduced

From John Earle Rome, Dec 20

Westinghouse Electric Corporation of the United States, holder of a technology for pressurized water reactors (PWR), has drastically scaled down its involvement in the Italian nuclear power market.

After long negotiations with its partners, Breda Termoeletrica (of the state-owned IRI group) and Fiat Termoeletrica, an agreement has been reached for it to reduce from a controlling 51 per cent to 15 per cent its holding in Sopran, a company responsible for designing nuclear plant according to its PWR technology. Fiat and Breda will share equally the controlling 85 per cent.

In Sopran, a company responsible for providing fuel for the existing PWR to Agip Nucleare of the state-owned ENI group, Agip Nucleare also intends to acquire a further 20.5 per cent from Breda, which will be left with 4 per cent. Fiat's existing 24.5 per cent holding will remain unchanged.

Under the new arrangements Westinghouse will continue to make available to its Italian partners its know-how in pressurized water reactors.

Direct involvement in the Italian nuclear market has become less attractive to foreign companies as a result of the inability of successive governments to draw up and enforce a clear nuclear power programme.

Brussels will press for safeguards to investors in Third World mine projects

By Desmond Quigley

The European Commission is understood to have agreed in principle to press for the inclusion of mining ventures in the second Lomé Convention next summer.

If the Commission is successful in having mining ventures brought within the new convention, it would go some way to satisfying the desire of the European mining companies for some security of investment in less developed countries.

Incorporation of mining ventures in a new convention would mean that EEC countries and their companies would be prepared to put capital and expertise into mining projects under some sort of treaty agreement with the host country, which would grant fair and equitable treatment to mining companies.

Thus, if the host country were to expropriate a mine or unilaterally and radically alter the terms of agreement—such as increasing the taxation level or taking a larger, unpaid for stake in the venture—negotiations would immediately take place between the European country concerned and the host government.

Any such agreement would be a backdrop for a more significant policy which the European mining companies are trying to win from the Commission in terms of political risk compensation.

Mining companies have been increasingly concerned at the propensity of governments to alter the terms of mining agreements once a mine has been brought into production. Mining faces a particular hazard in that the lead time for bringing a mine to production is upward of five years. This long lead time, with the heavy capital expenditure involved, makes mining companies very vulnerable to any late changes in mining agreements.

The problem of government interference has been compounded by the weakness of most base metal prices over recent years and soaring capital costs which have made investment in mining ventures in under developed countries a less interesting proposition.

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UNEMPLOYMENT

The following are the monthly figures for Great Britain

	Total	Seasonally	Seasonally
	unadjusted	adjusted	adjusted
	000s	000s	% 000s
1976			
Nov	1,316	1,273	5.5
Dec	1,390	1,295	5.5
Jan	1,365	1,278	5.5
Feb	1,329	1,262	5.4
Mar	1,328	1,262	5.4
Apr	1,328	1,262	5.4
May	1,328	1,262	5.4
Jun	1,328	1,262	5.4
Jul	1,328	1,262	5.4
Aug	1,328	1,262	5.4
Sep	1,328	1,262	5.4
Oct	1,328	1,262	5.4
Nov	1,328	1,262	5.4
Dec	1,328	1,262	5.4

Figures not available.
* Estimate.
† Excluding school leavers.

REGIONAL UNEMPLOYMENT

The following are the monthly regional unemployment figures, seasonally adjusted, excluding school leavers:

	Number	Change on month	% of em- ployed
S East	328,500	-3,800	4.3
E Anglia	36,000	-400	1.1
S West	108,800	-1,300	6.7
W Midlands	122,500	-1,800	5.3
M Midlands	117,300	-300	5.8
York/H/Slide	117,300	-300	5.8
North	111,800	-200	8.2
Wales	85,200	-100	8.0
Scotland	120,000	-1,200	7.2
Great Britain	1,370,800	-8,700	5.9
N Ireland	87,400	+800	10.5
NK	1,428,100	-4,900	5.8

Industry Act loan rates up

The maximum rate of interest for loans under section 7 of the Industry Act 1972 has been increased.

At the Department of Industry yesterday it was stated that the rate of interest relief grant available in those cases where it would be appropriate to allow the equivalent of an interest-free period on a Department of Industry loan, but where firms obtained their finance from other sources, was being increased from 10 per cent to 10 1/2 per cent for each interest-free year.

The concessionary rate of interest on loans for employment-creating projects is raised from 7 per cent to 7 1/2 per cent.

LETTERS TO THE EDITOR

Why it is necessary to take a fresh look at state steel policies

From Mr H. B. Lloyd

Sir, From the BSC's annual accounts it appears that the corporation's prodigious capital expenditure policy is costing almost £300m per annum to finance, and even this figure is after various subsidies. Nevertheless, this policy is to continue. The expenditure of £836m at Port Talbot will provide an additional capacity of three million tonnes per year which at the corporation's high prices has a sales value of less than £600m per year.

What merchant bank would finance such a project? Can Sir Charles Villiers from his banking experience instance a single example of a profitable project where the value of the annual turnover is less than 75 per cent of the capital required?

The notion that such expenditure results in reductions in manning may be contrasted with the manpower required to complete the project. Such an expenditure will create about 200,000 man years for its execution: if the plant lasts 20 years this averages 10,000 men per annum. The Welsh division of the British Steel Corporation, of which Port Talbot is a part, employs 56,000 men.

Nearly all the financing costs that the corporation has to carry arise from its major development schemes and these show no signs of producing an adequate return; nor indeed are they likely to do so. Any very large project is inevitably founded in well proven techniques and these may or may not be the best available. The Anchor project is the last mill of its type that will ever be built and indeed is the only one to be built anywhere in the world during the last decade. The gigantic blast furnace to be built at Port Talbot may

well come into this category.

The United States, which produces more steel than any other country in the world, has not found it appropriate to build any of these gigantic furnaces, while Japan, which has reports in the technical press that production costs are higher than those of large furnaces.

It may well be that the whole of this three million tonnes per annum capacity will be surplus to requirements. No doubt the corporation will then insist on loading its new capacity by transferring orders from other works, in particular Shotton. Thus, will the viable Shotton operation be rendered uneconomic just as the viable Cardiff operation has been rendered uneconomic by the transfer of its order book to the Anchor Mill?

The corporation sets up more tonnes per man as its objective. The fallacy of this theory is well illustrated from its own operations. The table illustrates the low profitability of low grade iron ore, the higher profitability of high grade iron ore. These figures show that the adding of value to a product is a far more rewarding enterprise than seeking to produce large tonnages of simple products.

While the corporation has sought investment in massive production the private sector has sought to invest in schemes to produce improvement in the quality and range of its products. One may compare the GKN (South Wales) Ltd scheme at Cardiff with the Anchor scheme. Both produce billets: the former produces billets which are virtually free from internal defects and of good surface quality and can produce a wide range of analyses. The latter produces large tonnages of mild steel billets subject to all the defects associated with the ingot process. (Incidentally, the capital cost per annual tonne on the Cardiff scheme was less than half that of the BSC scheme, so what has happened to the "economies of scale"?)

The private sector's investment policies have been an important factor in enabling it to maintain its workforce almost intact despite the difficult times through which steel has been passing. I am one who believes that the skills and abilities of those who work in an industry are its greatest asset. Yours faithfully,

H. B. LLOYD, Little Slaughterford, Pwllheli, Gwynedd, North Wales, December 13.

	General	Strip	Special	Tubes
	steels	division	division	division
Liquid steel production, million tonnes per annum	9.78	6.80	3.51	0.75
Employed, 1974/5	73,800	64,700	37,200	35,200
Profit after depreciation and interest £	11.2	12.3	36.9	10.5
Production, tonnes per man per annum	132	105	94	21.5
Profit per tonne £	1.15	1.81	10.5	14.0

Figures from BSC Annual Report 1974/5. Current figures are not available as the Corporation is now organized on a regional basis.

Easing of scrap exports to stay

Arrangements for exports of ferrous scrap to countries outside the EEC are to remain unchanged for a further period. Interim arrangements first introduced on October 3 are to continue pending the conclusion of discussions on the licensing of exports to third countries.

The effect of the arrangement is to liberalize export controls on United Kingdom scrap processing companies. Faced with a steep cut in deliveries to the British Steel Corporation in the first three months of next year because of weak demand, the industry is expected to pursue export opportunities even more vigorously.

Engineering inquiry team begins study on reforms

By Derek Harris

Professional engineers' organizations were warned yesterday that the government inquiry into the organization of the profession "cannot just come up with a consensus view".

The committee of inquiry, 17-strong in addition to its chairman, Sir Monty Finniston, former chairman of British Steel, will draw up recommendations on a wide range of issues. Everybody may not like them, Sir Monty said.

He gave these warnings after the first meeting of the committee yesterday, at which Mr Varley, Secretary of State for Industry, who set up the inquiry, said it was widely accepted that radical change was needed in the way professional engineers were trained and educated.

Major issues for the committee, which hopes to produce its report by early 1979, are whether there should be statutory registration and licensing for professional engineers and whether there is a need for rethinking on qualification and education standards.

Business appointments

Mr K. Durham, Unilever limited coordinator for meat products and animal feeds, is to be a member of the special committee and a vice-chairman in succession to Mr S. G. Sweetman, who is retiring next year as vice-chairman. Mr M. G. O'Connor is retiring. Mr R. W. Archer, Mr P. V. M. Egan and Mr J. Louden are to be nominated as directors of both Unilever Limited and NV at the annual meetings.

Mr S. Procter has been appointed chief executive of Williams & Glyn's Bank from February 1 in succession to Mr R. E. B. Lloyd. Mr Procter is now deputy chief executive. Mr Lloyd, who remains on the board of the bank as a non-executive director, is to become an executive deputy chairman of HSBC.

Mr Patrick Macdonald will be joining Jardine Matheson as an executive director in the middle of 1978, with responsibility for group financial services. He was previously chief executive of Amex Bank in London and will be succeeded there by Mr J. Davies.

Mr J. M. Pickard is to become chairman of Grattan Warehouses in succession to Mr R. Z. Ouchiwake, who is retiring from that post and as a director. Mr Eric Binns and Mr Barry Reed are to become non-executive

Still battling for sensible rational ideas in engineering

From Mr H. Mashed

Sir, In his letter (December 15), Dr Llewellyn-Smith reveals of the famous engineer designer that "Sir Henry Royce always referred to himself as a mechanic". He went on to observe "He (Sir Henry Royce) claimed that this was a more honourable title than 'engineer' but of course in view of his lack of qualifications, it might have been a matter of sour grapes".

Leave aside that unworthy insult by what said strength of the academic imagination can be charged that Sir Henry Royce lacked qualifications? Is Shakespeare unqualified as a writer and dramatist because he has no BA in English literature or Leonardo an unqualified sculptor because he has no degree in art from Florence? Surely, those who can, do. So it is with engineering.

If Sir Henry Royce was demonstrably qualified as Sir Henry Royce can be dismissed so patronizingly as unqualified, no wonder then that British engineering performance has declined so abysmally. As the correspondence on engineering education in these columns has recently shown, the battle waged by the late Hugh Claussen and others for a return to sensible and rational ideas has a long way yet to go.

Yours faithfully,

H. MASSEDER, Chairman, British Industry Moves Ltd, 75 Belsize Lane, London, NW3.

Unilever coordinator Mr Durham made a vice-chairman

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The Woolwich



Sir Oliver Chesterton speaks of "striking a fair balance between investors and borrowers."

Addressing shareholders at the 130th Annual General Meeting of the Woolwich Equitable Building Society, the Chairman, Sir Oliver Chesterton, rejected recent criticisms that building societies do not adjust their interest rates frequently enough, or quickly enough. "This allegation ignores the very nature of our business" he said. "We have to strike a fair balance between the sometimes conflicting interests of our investors and borrowers. Our main objective is to maintain a supply of funds for house purchase."

"Our investors entrusted to us the considerable sum of £659m and their balances increased by a record £263m." Net receipts from investors and capital repayments on existing mortgages enabled the Society to lend on mortgage the highest ever sum of £351m. At the year end, 30th September 1977, the Society's total assets at £1,772m were 19% greater than at the beginning of the year.

"The General Reserve at the year end stood at over £58m." Given the way in which economic conditions can change so rapidly, Sir Oliver went on to say "this Reserve is a very reassuring item and materially contributes to the public's confidence in the Woolwich Society."

"It was an exceptional year of starkly contrasting conditions."

The Society's ability to cope with the sudden changes in money market conditions derives from its level of liquid assets, which at the year end totalled £327m or over 18% of total assets.

"We have had an excellent year and look forward to similar results in the current year."

The past year has shown how quickly the market can turn in building societies' favour, and how quickly it can turn against it. Commenting on the future of building societies, Sir Oliver referred to the Government's Housing Policy Review and its recognition that home ownership would not be so widely spread in this country without the financial mechanisms which building societies have provided. "The philosophy within the Review," he said, "is not at variance with our own and the Woolwich will continue to do its best to help as many people as possible to become owner-occupiers."

Copies of the Annual Accounts of the Society and the full text of Sir Oliver Chesterton's address, are available from the Secretary at the Society's Head Office.



MUIRHEAD LIMITED ACHIEVES PEAK TURNOVER AND PROFITS

Summary of Results 1977 1976

	1977	1976
Sales	17,588	16,502
Pre-tax profits	1,586	1,445
Dividends	219	196
Profit retained	592	485
Net assets employed	11,200	9,520
Earnings per share	13.7 pence	11.8 pence
Net assets per share	£1.90	£1.61

Selling points from the statement by the Chairman, Sir Raymond Brown, OBE to be presented at the Annual General Meeting on 22 December 1977.

- Turnover of £17.6 million, 6.6% up on previous year and pre-tax profit of £1.6 million up 10.5%.
- The year presented difficulties, as predicted at the half year, but order books are at an all-time record and prospects are good.
- Major programme of re-equipment in progress and new product development continues to cost 10% of turnover.
- After property revaluation, net asset backing reaches £1.90 per share.
- Maximum permitted dividend recommended.

MUIRHEAD LIMITED BECKENHAM, KENT BR8 4BE

BY THE FINANCIAL EDITOR

Exchange controls in the melting pot

Today or tomorrow there should be news as to how far the Government is prepared to go along with the EEC obligations and liberalise exchange controls. Given the plight of our balance of payments over the past few years, we have so far done precious little to liberalise outward capital movements into Europe. Even the concessions made on direct investment in 1972 had to be withdrawn again in 1974.

The assumption at this stage is that the main areas of discussion have been the "super-criteria" controls over direct investment and the 25 per cent surrender rule on portfolio investment. When the "super-criteria" was relaxed in 1972 the outflows were appreciably greater than expected in the first flush of "Europeanisation" and on hopes that the British property boom could be repeated on the continent. Neither of these factors are thought likely to be quite so visibly present if there were a relaxation in 1978.

As for portfolio investment, the very most one might expect would be removal of the 25 per cent surrender rule for investment in EEC securities—at least on the face of it. But to date the exchange control authorities have been highly reluctant to go along with such a two-tier system on policing grounds—eg how do you effectively control investment into international feeder funds operating, say, out of Luxembourg? If that is really a non-started the decision has presumably been to be all, nothing, or a promise of all at a none too distant future date.

Distillers Getting near to real worth

Since Glenlivet agreed bid terms with Seagram last week, the shares of the other small distillers have been leaping ahead. After another strong day yesterday they are mostly 10 per cent or more up on last week's levels as speculative hopes, never far from the surface in this sector, have risen. But in view of the generous offer on which Seagram is buying Glenlivet—510p a share compared to an initial offer of 440p—it is a moot point whether it is any longer realistic to anticipate more bids for whisky producers unless, like Teacher last year, internal finances come under strain.

On an historic basis, Glenlivet is being taken out at 25 times earnings, and the price is more than three times the published asset value of 160p a share. Admittedly Glenlivet's name is second to none in the whisky industry. It is particularly strong in single malts, a sector of the whisky industry that is growing at around 25 per cent a year compared to more like 4 or 5 per cent for blends, so taking a long-term view its prospective earnings might justify a generous price. But even allowing for these special factors, the message of the bid is that an unwanted predator will have to pay up to get control of any of the eight remaining quoted distillery companies. The question, in the light of the Glenlivet bid, is just how whisky companies should be valued.

Much depends on the company and its particular range. Just as Glenlivet arguably deserves a premium for its top-of-the-market reputation, Arthur Bell, a perennial bid candidate, might deserve a similar premium for the strength of its name in the blend market. In both cases this might imply a significant goodwill element, although some observers doubt that there is much goodwill in the Seagram bid for Glenlivet. Others, however, think goodwill could add up to as much as £1 a share.

But the starting point for a realistic bid valuation is clearly the replacement cost of assets and this bears little relationship to published balance sheet values. The real worth of maturing whisky stocks is in most cases likely to be around 1½ to 2 times book value—nearer two times in the case of those companies which are more dependent on older malts than younger blends. Estimates of the replacement value of distillery capacity vary. It is worth noting that the quality of output of a new distillery will be unknown for at least five years, but a rough rule of thumb is perhaps £3 a gallon of whisky. For perspective, Bell produced 22 million proof gallons of whisky in the first six months of this year.

The sums are difficult to do accurately, but adopting this basic Highland Distilleries could be worth a half or two thirds above its present share price, while Macallan, Glenlivet, Invergordon and Tomatin could all be worth close to twice their present market values. Bell's share price may not be far out of line with its asset value, but a bidder would clearly have to pay more

than the present capitalization of £73m. The question remaining for those who see the whisky industry as ripe for further bids is who is going to pay such lofty prices.

Lonrho A changing picture

Lonrho's preliminary figures are bound to cause some confusion. Pre-tax profits apparently collapsed in the final quarter leaving full year profits at £82m, and lower than in 1975-76. But the point is the tax charge, which is sharply reduced, leaving earnings marginally ahead at 26.2p a share before dilution.

Above the tax line Lonrho reckons that the sterling appreciation has cost it £10m to £15m compared with the previous year, while sugar has suffered from the severe price downturn as have the platinum and copper interests.

The tax charge has dropped by £7m, Lonrho taking advantage of stock relief provisions and changes in the treatment of deferred taxation treatment.

Increased interest charges, meanwhile, reflect the group's heavy United Kingdom acquisition policy, which has cost Lonrho some £69m in the past year excluding the near 20 per cent stake in the House of Fraser at £41.2m which became effective after the end of the financial year.

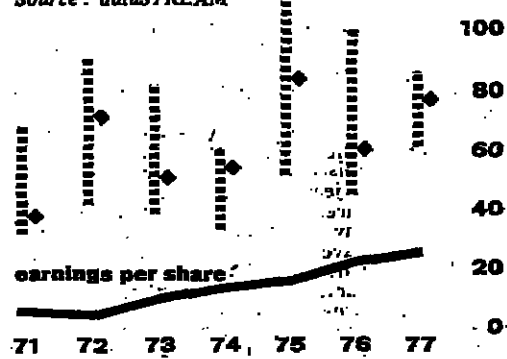
Lonrho's aim is to have one third of its assets in the United Kingdom even though some of its acquisitions are proving hard going. Dunford & Elliott has so far failed to live up to its forecast at the time of the bid battle of about £5m pre-tax. The shortfall is apparently some £3.5m, the steel company having only just about broken even in the second half.

LONRHO

Share price on Dec 20

High/Low for each year

Source: dataSTREAM



Lonrho's final dividend has yet to be declared but on the basis of the rights issue forecast the shares are yielding 12.7 per cent at 77p, up 1p yesterday. That speaks for itself, at least until the accounts come, and they hopefully will be more illuminating, given the radical changes which the group has pushed through during the past 12 months.

On the basis of interest rate and instalment credit volume trends, the Lloyds and Scottish one fifth rise in pre-tax profits to £17.4m before extraordinary looks, like Lombard North Central results a fortnight ago, a little on the low side. But Lombard is still working the bad debts incurred in 1973-74 out of its system while L and S never got mixed up there so the recovery potential is much less.

All the same there has been a quickening of pace in the second half but most of the increase has come from leasing—accounting for the bulk of the one third rise in assets to £4.4m—and the industrial and commercial interests whose contribution to profits is up to 45 per cent.

Despite a 46 per cent jump in turnover, with L and S apparently gaining market share, the key to a fairly uninspiring performance from instalment credit lies in the longer maturity of its deposits and the fact that around two fifths of industrial lending is on a variable rate, which means that lower interest rates take time to work through.

The bank issue now, however, is what sort of future a finance house can look forward to outside a clearing bank. The Bank of England is committed to part of the sector staying independent. But L and S is already having to turn away leasing business because it lacks the tax capacity to take on more business while borrowings, up to £332m or 5.6 times shareholders' funds, are rising steeply.

The next few days, which will wind up the Christmas shopping season, will determine whether the retailers have been able to recover from the dismal start to the crucial final quarter of 1977.

The implications for the retail trade are serious, if there is no last-minute upturn. Most non-food traders rely heavily on profits made during these closing months of the year. Department stores, for example, reckon to make as much as half the year's total profit during the last quarter. For more specialist retailers, such as confectioners, off-licences and toy shops, the proportion is even higher.

There has been an abnormally late start to the "season" in the non-food sector this year, with only four weeks' build-up instead of the usual six or even eight.

With such a tight timescale, every day's trade counts. There are hopes that the full trading week before the holiday, and particularly the final Saturday, will tip the scales sufficiently to balance a disappointing start.

However, for some retailers, particularly in the fashion trade, the peak may have already passed. An indicator of this is the discounting of clothing being mounted before Christmas by some of the boutique and couture houses.

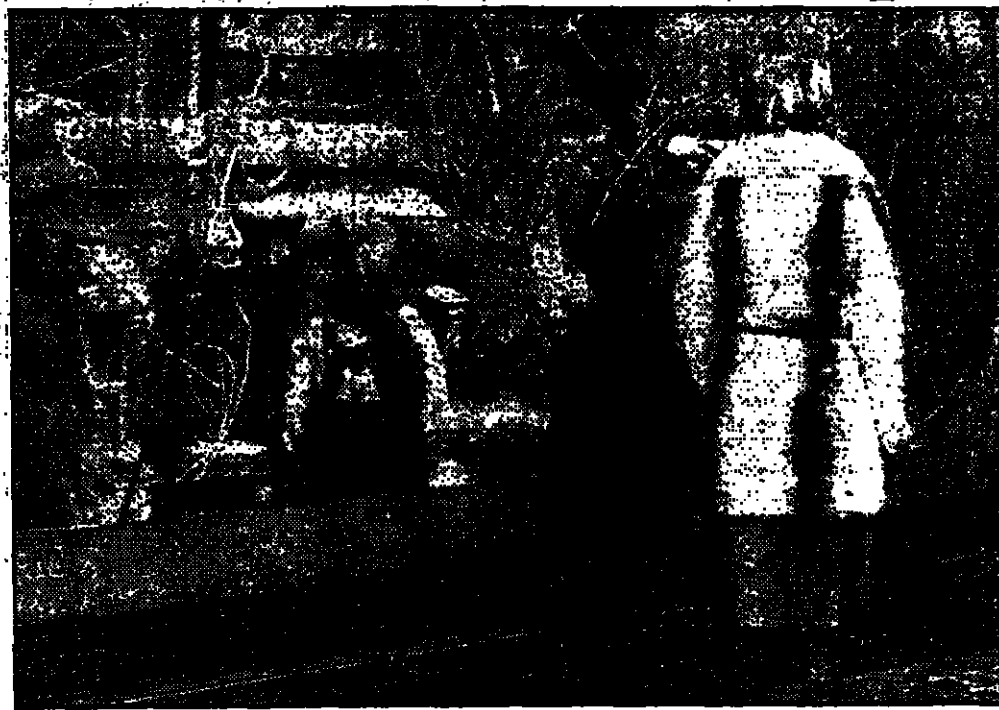
This was unheard of a few years ago, because retailers rely on the Christmas buying rush for high profit margins as well as sales volume and traditionally reserve their price-cutting for January.

Stores in many non-residential areas expect to do little business after lunch-time on Friday. In Oxford Street, London, both the John Lewis Partnership and Selfridges department stores (apart from the food hall) will be closed all day on Saturday.

Lower pre-Christmas buying, together with the extra new year holiday, has pushed many other retailers into starting the January discounting early. It is a matter of delicate financial judgment for big stores whether the extra wage costs involved

Patricia Tisdall examines retailers' worries about the level of trade

A cold Christmas for the shopkeepers?



Oxford Street, London, yesterday: shop windows retain their fascinations for gift-hunters and passersby alike. But this year the "season" has started late for many retailers.

justify starting the sales immediately after the holiday. But for at least one department store, Wm Whiteley, of Queensway in London, the January sale starts next Tuesday.

The earlier start to the clearance sales has in turn contributed to a depression in pre-Christmas buying of more expensive domestic appliances. This is a reversal of a tendency over the past three or four years when large numbers of non-seasonal merchandise, such as freezers, cookers, and particularly television sets (and even furniture) were sold.

Compared with last year when the trading figures were distorted by an early autumn buying boom because of a threat of higher value-added tax, the retailers' figures look very dim.

The indications are that not only will the Christmas buying season have been shorter this

year but it will also have been less fruitful. The biggest up-lift in sales, again a reversal of earlier years, has been in low-cost gift items and decorations. Toys were mentioned by a number of retailers, including the Argos chain, John Lewis Partnership and Woolworths, as being in more demand than usual this year, but, since the rest of the year has been so poor, the gains here will do little more than clear existing retail stocks. They are unlikely to be translated into significantly higher orders from manufacturers for next year.

Drink sales seem to be doing well. Off-licences report that sherry and port sales in particular have reflected the pensioners' £10 bonus, but wines and especially spirits were also selling satisfactorily.

Much of the specifically seasonal sales appear to have arisen from the income tax re-

bate given in the October "mini-budget". This started filtering through to wage packets by the last Friday in November and retailers say that they noticed an immediate difference in the following day's takings.

The extra £20 to £35 was quickly exhausted for most people, however, and there are signs that it was augmented by withdrawals from savings. The latest available figures for these show that flows into National Savings remained at a high level in the four weeks to November 25. The net amount of new money invested, at £121.4m, was almost five times the level recorded for the same period last year.

Rather than reduce their savings, more consumers who are buying more costly merchandise are using credit facilities. The Debenhams department store group, as well

as the specialist electrical goods chains, say they have noticed an increase in the proportion of credit sales. Credit cards—particularly Barclaycard, which reduced its interest rates last month—also report greater levels of use.

The fourth quarter undoubtedly got off to a poor start for retailers. Figures showing the volume of retail sales for October, issued by the Department of Trade, give an index for durable goods retailers (furniture, television and radio, and electrical and gas appliances), which is five points lower, at 124, than for the same month last year. Clothing and footwear and "other non-food shops", which include department stores and mail-order business, are also down.

While the October 1976 figures are distorted, making the comparison unfair, a general stagnation in retail trade across the board is, however, reflected in manufacturers' delivery figures. Statistics produced by the Association of Manufacturers of Domestic Electrical Appliances show, for example, little change, in terms of numbers for most products, during the 12 months ending in September.

The exceptions were electric storage radiators, down by 20 per cent on the previous 12 months, and tumble driers, up by 66 per cent.

Washing machines, the biggest item on the domestic appliance shopping list and used as a barometer for retailing, show an increase by volume of only 1 per cent.

If the goods which will undoubtedly be sold, at whatever price, during the post-Christmas clearance sale are not replaced by retailers, the repercussions will reach back into the manufacturing pipeline. The effect could be to delay the long-awaited revival in consumer spending which some forecasters are now pushing back towards the second half of next year.

Alternatively, it could create widespread shortages, if a sudden spending boom took place in the spring.

W Germany reaffirms its faith in monetary targets

The West German Federal Bank will be able to look back at the end of this year on a three-year experiment in using a monetary growth target to achieve the twin goals of adequate economic expansion and continuing stabilisation of price increases.

As the accompanying tables make clear, the experiment has hardly been a resounding success. The growth targets for "central bank money" set for the years 1975, 1976 and 1977 have all been overshot. Moreover, the actual development of Germany's gross national product in these years has diverged appreciably from the target for the coming year. For the third year running it decided that central bank money should rise on average by 8 per cent, compared with the previous year's level.

For the second time it has backed up this target by giving what it regards as an acceptable range for a year-to-year increase in central bank money. The 8 per cent average target implies rise in central bank money of between 5 and 7 per cent between the final quarter of 1977 and the last quarter of 1978.

Ever since the experiment began the nature of the target chosen has been the subject of controversy and dispute. Instead of selecting one of the standard definitions of money supply the Federal Bank defines its target in terms of central bank money—a concept that is complicated and peculiarly German. The definition used is: cash in circulation plus the minimum reserves deposited in non-interest bearing accounts at the central bank in respect of their domestic liabilities. For the purpose of defining central bank money, the minimum reserve rates have been frozen at the level that prevailed at the beginning of 1974,

so that the aggregate reflects the rise and fall of money deposited in the banks.

The attraction of the central bank money definition for the Federal Bank is that it "weights" the money quality of the varying categories of bank deposits. The minimum reserve ratios are higher on sight deposits, that can be immediately turned into cash, than they are on time and savings deposits.

On the other hand the Federal Bank definition gives an extremely strong weighting to cash in circulation, compared with traditional monetary aggregates.

It was at the end of 1974 that the Federal Bank first ventured to use this complex, academic formula to impress upon the general public its monetary intentions for the following year.

The decision to "go public" with a monetary growth target followed a period of about 18 months in which the Federal Bank had had a high degree of success in steering the economy by means of monetary policy.

The floating of the mark against the dollar and most other currencies in March 1973, freed the German central bank from its major obligation to intervene in other currencies on the foreign exchange market and encouraged it to believe that it could pursue a monetary policy sealed off from external influences.

The initial policy stance was restrictive in order to curb inflation and what the bank saw

GROWTH OF REAL GNP (%)

Assumed Actual

1975 +2 -2.5

1976 +4 to 5 +5.7

1977 +5 +2.5 (estimate)

1978 at least +3 —

RATE OF INFLATION (%)

Forecast Actual

1975 6 6

1976 5 to 4 4.5

1977 4 3.9 (estimate)

1978 3.5 to +3 —

GROWTH OF CENTRAL BANK MONEY (percentages)

	Target		Out-turn	
	Year-to-year	Average	Year-to-year	Average
1975	+8	—	+10	+7.9
1976	Under +8	+8	+8.4	+9.2
1977	+5 to 7	+8	+9.5 (estimate)	+9 (estimate)
1978	+5 to 7	+8	—	—

as an inflation mentality in West Germany. Thus as the trade unions at the beginning of 1974 pushed through wage increases of 11 per cent and more the bank clamped down on monetary growth, forcing interest rates to record levels and, incidentally, adding to the growth of unemployment by bringing on a wave of bankruptcies.

By the middle of 1974, as Germany's domestic economy was moving into recession, the Federal Bank started to ease its monetary stance.

In the course of the restrictive period it had ceased to treat the level of interest rates as the primary guide to the money growth target.

Instead, the objective was to keep monetary expansion within fairly strict limits.

Although a quantitative goal was not stated for 1974, it was in the course of this period that central bank money caught the Federal Bank's eye as a key indicator and potential monetary target.

The idea behind publicly stating a monetary growth target at the end of 1974 was a simple one. The bank thought it best that all participants in the economy should have an idea of the monetary room for manoeuvre and that the unions and employers in particular should not fall into the trap of agreeing exaggerated wage increases in 1974.

Surprisingly, given the rather obscure nature of the exercise, the move was greeted with enthusiasm. It also appeared to bring a quick reward, in that the wage levels agreed in 1974 were significantly below those of the pre-

vious year. Most settlements averaged 8 per cent and were not so far out of line with the forecast inflation rate of 6 per cent for that year.

This early apparent success probably helps to explain a certain element of disillusionment that has since crept into assessments of the "new monetary policy" as it has failed to live up to expectations.

The coincidence of an 8 per cent money growth target and 8 per cent wage settlements helped to create one big misunderstanding—in that in some quarters the impression arose that wages in a given year could rise by the same amount as the money growth target.

Perhaps more serious, the early apparent success with the concept of central bank money concealed some of the aggregate's rather wayward attributes. In picking its target, the Federal Bank assumed that the velocity of the circulation of money would not differ very much from the experience of previous years and that any distortions would work themselves out over time.

The velocity of money calculations is a cyclical phenomenon. In 1975, when Germany was in recession, the velocity of money slowed. Hence the central bank money could still overshoot the target that had been set in expectation of a 2 per cent growth in real gross national product.

Again, in the second half of 1976, when there was a rapid increase in central bank money resulting from currency inflows and increased bank lending to finance investment and stock building, there was also a slowdown in the velocity of circulation.

The experiences with the velocity of money circulation recently led Dr Oskar Emminger, president of the Federal Bank, to suggest that in

recent years there has probably been a permanent change in the West Germans' attitude to money, with an increased preference for liquidity upsetting the old assumptions on the speed with which money circulates in the economy.

The Federal Bank has always been able to explain why the central bank money target has been overshoot in any given year and, if the aggregate were measured purely in internal purposes, the overshooting would probably not matter so greatly. But the publicizing of the monetary growth target has come to play a role in German economic policy making, and here the overshooting takes on a rather different aspect.

A businessman or trade union leader, when faced with a monetary target, is hardly going to worry about the complexities of the central bank money concept or the vagaries of the velocity of the circulation of money.

If the monetary growth target is to be taken seriously, it must be seen to have relevance to economic circumstances and to be adhered to by its author. Taking the view that three years' overshooting would probably not matter so greatly, but the publicizing of the monetary growth target has come to play a role in German economic policy making, and here the overshooting takes on a rather different aspect.

It is probably no coincidence that in recent remarks Federal Bank officials have been saying greater stress should be placed on the bank's approach to monetary policy and going out of their way to underline that the central bank money target is an interim goal or a device to help achieve the prime goal of monetary policy: to curb price rises and support economic recovery.

"If at first you don't succeed, try, try and try again" might be an apt motto for an individual coping with the problems of daily life. But the Federal Bank is having to learn that an official body that sets public targets should not be met—no matter how justified the reasons—rums the risk of losing credibility and so jeopardizing its entire policy.

Peter Norman

Business Diary: BL's Horrocks • Morgan and BR

It is still less than two months since Michael Edwards left Chloride to become British Leyland's new full-time chairman and already he has headhunted a top executive for his team. He is Ray Horrocks, 47, former head of Eaton's materials handling operations in Europe and the Middle East.

Before he joined the American-owned axles to forklift truck group Horrocks was with Ford UK for 10 years. At one time he ran Ford's advanced vehicles plant, which produced the Mexico competition model.

Soon after he moved to Eaton the worldwide materials handling market ran into its biggest ever recession. Colleagues at Eaton's Roushlow headquarters joked that he arrived in time to wind it up.

But such was the energy he displayed in reorganising the sorry mess that within two years he was attracting the attention of his chiefs in far-away Cleveland and those same colleagues were forecasting a dazzling career. His reputation reached outside Eaton and he received frequent approaches to do the same sort of turnaround "job" for other companies.

But a mystery surrounds his new post at British Leyland. Inquiries at the group's London headquarters elicit only that he is directly answerable to Edwards and "clearly designed

for a senior appointment to be spent out at a later stage".

This evasiveness leads to speculation within the company that Horrocks could be the first of two executive vice-chairmen. Edwards is known to be recruiting from outside to form a second tier triumvirate with David Andrews, recently promoted to succeed the departing Alex Parle as an executive vice-chairman.

Whatever the truth of that, Horrocks's importance in Edwards's plans has already been underlined by his appointment to the seven-strong team of senior executives, now investigating Leyland's financial position and recommending changes in its organization.

"There has to be a desk somewhere where the buck stops," says John Morgan, who, as announced yesterday, will be the first incumbent of the newly created post of "general manager, pension fund" for British Leyland and takes up his new appointment early next year.

Morgan, former Williams & Glyn's director of finance and investment before moving into investment management at Rothschild's 18 months ago, is no stranger to pension fund management. He is very acutely aware of the problems facing pension funds, particularly those of state pension funds

and, even more specifically, of the £478m British Rail pension fund.

He is a fan of trade union participation in both fund administration and management. Shop-floor participation, in his view, is not only "a great help" to the managers but is of importance to the members, too.

Hill Samuel and S. G. Warburg, merchant bankers to parts of British Rail (that is what they call it in the City), will welcome Morgan's appointment. All too often they have been criticized for controversial investment decisions—paintings and investment trusts—without which they were not concerned. From now on Morgan will be in the firing line.

As a modest art collector himself, he is open-minded about British Rail's foray into the world of art. The pension fund now owns about £11m worth of paintings.

The role of none-income bearing assets in a pension fund has always been open to question. As Morgan says, "the case has to be made". Whatever his ultimate verdict about the suitability of this form of investment, he is at least reasonably confident that his own small collection of modern British painters—Rogers, Hinton and Hitchens, among others—will not represent a conflict of interest.



Rothschild's John Morgan in London yesterday: the art of pension fund management.

John Methven, the director-general, and Lord Watkinson, the retiring president of the Confederation of British Industry, are, I hear, so pleased with last month's first annual conference that they are recommending more of the same.

Not only are they saying there should be a second conference next year—as Business Diary recently said they would—but they are also recommending it should again be in Brighton. This time, however, it will probably have to be at the Dome, rather than at the new Conference Centre, which will not be available in early November.



Photograph: John Manning

David Abell, managing director of Leyland Special Products (that is the profitable, non-automotive subsidiary of the state-owned motor group) is pushing his products with a Christmas card devoted to "A Special Christmas Carol". Repetitive are instructed sing it "in a lively voice to traditional music".

On the 12th day of Christmas, Special Products sold to me—12 dump trucks dumping 10 lift-trucks lifting, nine tanks all firing, eight gears changing, seven presses printing, six tractors crawling, five quarry plants, four road rollers, three heat exchangers, two seed drills, altogether in one big family tree.

policy document. Next time, however, the CBI managers will eschew discussion of vague general motions in favour of a livelier debate of detailed and contentious points, giving CBI dissenters more of a chance. Incidentally, coverage of last month's conference in the newspapers and on radio and television is being followed by a surge in CBI membership. This in turn is likely to add fresh fuel to an old CBI controversy—whether to stay in the present headquarters in Tophill Street, Westminster, or to acquire purpose-built premises, as for instance on a Crown Estates site in nearby Finsbury.

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YORKSHIRE & LANCASHIRE INVESTMENT TRUST LIMITED

Highlights of the Annual Statement made by the Chairman, Mr Cecil C. Taylor, F.C.A.

- The revenue after interest payable of £95,401 for the year ended 30th September, 1977, compares with £79,032 for the previous year. The increase is due to higher rates of dividends being paid on the Company's investments, and a reduction of £7,455 in the bank interest payable due to lower interest rates on a lower average amount outstanding during the year.
- A final dividend of 0.95p per share is recommended which makes the total for the year 1.35p per share. With the related tax credit this is equal to 2.045p per share gross compared with 1.692p per share gross last year, an increase of 21%.
- The substantial rise in prices on The Stock Exchange has resulted in an increase of £495,199 in the capital reserves and has lifted the net asset value per share by 57% from 21.9p to 34.3p.
- Until the general level of wage settlements is determined share prices are likely to prove volatile. However, the improvement in the value of sterling, if it can be maintained, will reduce inflation thus benefiting the United Kingdom economy. The recent tax reductions and a reduction of £7,455 in the bank interest payable in time reduce unemployment. Consequently on a medium-term view the outlook for the United Kingdom is favourable.
- While seeking to protect shareholders' capital against the ravages of inflation, investment policy will continue to place emphasis on increasing income which it is expected will provide a further increase in dividend for the current year.

Authorized Units, Insurance & Offshore Funds

Commodities

[illegible]

Recent Issues

[illegible]

Hongkong is to get a silver trading in Hongkong, which has received approval from the government, will be in Hongkong dollars in lots of 5,000 ounces. The new silver futures will follow those of the Commodity Exchange in New York. The physical delivery point will also be in New York. The new rules and regulations are now being drafted.

New York, Dec. 20.—Prices on the New York stock market closed lower today. The Dow Jones industrial average fell 1.73 to 806.22.

Declining issues led gainers throughout the day, totalling about 945 at the close compared to some 450 issues that showed advances.

1974/75			1975/76			1976/77			1977/78			1978/79			1979/80			1980/81			1981/82			1982/83			1983/84			1984/85			1985/86			1986/87			1987/88			1988/89			1989/90			1990/91			1991/92			1992/93			1993/94			1994/95			1995/96			1996/97			1997/98			1998/99			1999/00			2000/01			2001/02			2002/03			2003/04			2004/05			2005/06			2006/07			2007/08			2008/09			2009/10			2010/11			2011/12			2012/13			2013/14			2014/15			2015/16			2016/17			2017/18			2018/19			2019/20			2020/21			2021/22			2022/23			2023/24			2024/25			2025/26			2026/27			2027/28			2028/29			2029/30			2030/31			2031/32			2032/33			2033/34			2034/35			2035/36			2036/37			2037/38			2038/39			2039/40			2040/41			2041/42			2042/43			2043/44			2044/45			2045/46			2046/47			2047/48			2048/49			2049/50			2050/51			2051/52			2052/53			2053/54			2054/55			2055/56			2056/57			2057/58			2058/59			2059/60			2060/61			2061/62			2062/63			2063/64			2064/65			2065/66			2066/67			2067/68			2068/69			2069/70			2070/71			2071/72			2072/73			2073/74			2074/75			2075/76			2076/77			2077/78			2078/79			2079/80			2080/81			2081/82			2082/83			2083/84			2084/85			2085/86			2086/87			2087/88			2088/89			2089/90			2090/91			2091/92			2092/93			2093/94			2094/95			2095/96			2096/97			2097/98			2098/99			2099/00			2100/01			2101/02			2102/03			2103/04			2104/05			2105/06			2106/07			2107/08			2108/09			2109/10			2110/11			2111/12			2112/13			2113/14			2114/15			2115/16			2116/17			2117/18			2118/19			2119/20			2120/21			2121/22			2122/23			2123/24			2124/25			2125/26			2126/27			2127/28			2128/29			2129/30			2130/31			2131/32			2132/33			2133/34			2134/35			2135/36			2136/37			2137/38			2138/39			2139/40			2140/41			2141/42			2142/43			2143/44			2144/45			2145/46			2146/47			2147/48			2148/49			2149/50			2150/51			2151/52			2152/53			2153/54			2154/55			2155/56			2156/57			2157/58			2158/59			2159/60			2160/61			2161/62			2162/63			2163/64			2164/65			2165/66			2166/67			2167/68			2168/69			2169/70			2170/71			2171/72			2172/73			2173/74			2174/75			2175/76			2176/77			2177/78			2178/79			2179/80			2180/81			2181/82			2182/83			2183/84			2184/85			2185/86			2186/87			2187/88			2188/89			2189/90			2190/91			2191/92			2192/93			2193/94			2194/95			2195/96			2196/97			2197/98			2198/99			2199/00			2200/01			2201/02			2202/03			2203/04			2204/05			2205/06			2206/07			2207/08			2208/09			2209/10			2210/11			2211/12			2212/13			2213/14			2214/15			2215/16			2216/17			2217/18			2218/19			2219/20			2220/21			2221/22			2222/23			2223/24			2224/25			2225/26			2226/27			2227/28			2228/29			2229/30			2230/31			2231/32			2232/33			2233/34			2234/35			2235/36			2236/37			2237/38			2238/39			2239/40			2240/41			2241/42			2242/43			2243/44			2244/45			2245/46			2246/47			2247/48			2248/49			2249/50			2250/51			2251/52			2252/53			2253/54			2254/55			2255/56			2256/57			2257/58			2258/59			2259/60			2260/61			2261/62			2262/63			2263/64			2264/65			2265/66			2266/67			2267/68			2268/69			2269/70			2270/71			2271/72			2272/73			2273/74			2274/75			2275/76			2276/77			2277/78			2278/79			2279/80			2280/81			2281/82			2282/83			2283/84			2284/85			2285/86			2286/87			2287/88			2288/89			2289/90			2290/91			2291/92			2292/93			2293/94			2294/95			2295/96			2296/97			2297/98			2298/99			2299/00			2300/01			2301/02			2302/03			2303/04			2304/05			2305/06			2306/07			2307/08			2308/09			2309/10			2310/11			2311/12			2312/13			2313/14			2314/15			2315/16			2316/17			2317/18			2318/19			2319/20			2320/21			2321/22			2322/23			2323/24			2324/25			2325/26			2326/27			2327/28			2328/29			2329/30			2330/31			2331/32			2332/33			2333/34			2334/35			2335/36			2336/37			2337/38			2338/39			2339/40			2340/41			2341/42			2342/43			2343/44			2344/45			2345/46			2346/47			2347/48			2348/49			2349/50			2350/51			2351/52			2352/53			2353/54			2354/55			2355/56			2356/57			2357/58			2358/59			2359/60			2360/61			2361/62			2362/63			2363/64			2364/65			2365/66			2366/67			2367/68			2368/69			2369/70			2370/71			2371/72			2372/73			2373/74			2374/75			2375/76			2376/77			2377/78			2378/79			2379/80			2380/81			2381/82			2382/83			2383/84			2384/85			2385/86			2386/87			2387/88			2388/89			2389/90			2390/91			2391/92			2392/93			2393/94			2394/95			2395/96			2396/97			2397/98			2398/99			2399/00			2400/01			2401/02			2402/03			2403/04			2404/05			2405/06			2406/07			2407/08			2408/09			2409/10			2410/11			2411/12			2412/13			2413/14			2414/15			2415/16			2416/17			2417/18			2418/19			2419/20			2420/21			2421/22			2422/23			2423/24			2424/25			2425/26			2426/27			2427/28			2428/29			2429/30			2430/31			2431/32			2432/33			2433/34			2434/35			2435/36			2436/37			2437/38			2438/39			2439/40			2440/41			2441/42			2442/43			2443/44			2444/45			2445/46			2446/47			2447/48			2448/49			2449/50			2450/51			2451/52			2452/53			2453/54			2454/55			2455/56			2456/57			2457/58			2458/59			2459/60			2460/61			2461/62			2462/63			2463/64			2464/65			2465/66			2466/67			2467/68			2468/69			2469/70			2470/71			2471/72			2472/73			2473/74			2474/75			2475/76			2476/77			2477/78			2478/79			2479/80			2480/81			2481/82			2482/83			2483/84			2484/85			2485/86			2486/87			2487/88			2488/89			2489/90			2490/91			2491/92			2492/93			2493/94			2494/95			2495/96			2496/97			2497/98			2498/99			2499/00			2500/01			2501/02			2502/03			2503/04			2504/05			2505/06			2506/07			2507/08			2508/09			2509/10			2510/11			2511/12			2512/13			2513/14			2514/15			2515/16			2516/17			2517/18			2518/19			2519/20			2520/21			2521/22			2522/23			2523/24			2524/25			2525/26			2526/27			2527/28			2528/29			2529/30			2530/31			2531/32			2532/33			2533/34			2534/35			2535/36			2536/37			2537/38			2538/39			2539/40			2540/41			2541/42			2542/43			2543/44			2544/45			2545/46			2546/47			2547/48			2548/49			2549/50			2550/51			2551/52			2552/53			2553/54			2554/55			2555/56			2556/57			2557/58			2558/59			2559/60			2560/61			2561/62			2562/63			2563/64			2564/65			2565/66			2566/67			2567/68			2568/69			2569/70			2570/71			2571/72			2572/73			2573/74			2574/75			2575/76			2576/77			2577/78			2578/79			2579/80			2580/81			2581/82			2582/83			2583/84			2584/85			2585/86			2586/87			2587/88			2588/89			2589/90			2590/91			2591/92			2592/93			2593/94			2594/95			2595/96			2596/97			2597/98			2598/99			2599/00			2600/01			2601/02			2602/03			2603/04			2604/05			2605/06			2606/07			2607/08			2608/09			2609/10			2610/11			2611/12			2612/13			2613/14			2614/15			2615/16			2616/17			2617/18			2618/19			2619/20			2620/21			2621/22			2622/23			2623/24			2624/25			2625/26			2626/27			2627/28			2628/29			2629/30			2630/31			2631/32			2632/33			2633/34			2634/35			2635/36			2636/37			2637/38			2638/39			2639/40			2640/41			2641/42			2642/43			2643/44			2644/45			2645/46			2646/47			2647/48			2648/49			2649/50			2650/51			2651/52			2652/53			2653/54			2654/55			2655/56			2656/57			2657/58			2658/59			2659/60			2660/61			2661/62			2662/63			2663/64			2664/65			2665/66			2666/67			2667/68			2668/69			2669/70			2670/71			2671/72			2672/73			2673/74			2674/75			2675/76			2676/77			2677/78			2678/79			2679/80			2680/81			2681/82			2682/83			2683/84			2684/85			2685/86			2686/87			2687/88			2688/89			2689/90			2690/91			2691/92			2692/93			2693/94			2694/95			2695/96			2696/97			2697/98			2698/99			2699/00			2700/01			2701/02			2702/03			2703/04			2704/05			2705/06			2706/07			2707/08			2708/09			2709/10			2710/11			2711/12			2712/13			2713/14			2714/15			2715/16			2716/17			2717/18			2718/19			2719/20			2720/21			2721/22			2722/23			2723/24			2724/25			2725/26			2726/27			2727/28			2728/29			2729/30			2730/31			2731/32			2732/33			2733/34			2734/35			2735/36			2736/37			2737/38			2738/39			2739/40			2740/41			2741/42			2742/43			2743/44			2744/45			2745/46			2746/47			2747/48			2748/49			2749/50			2750/51			2751/52			2752/53			2753/54			2754/55			2755/56			2756/57			2757/58			2758/59			2759/60			2760/61			2761/62			2762/63			2763/64			2764/65			2765/66			2766/67			2767/68			2768/69			2769/70			2770/71			2771/72			2772/73			2773/74			2774/75			2775/76			2776/77			2777/78			2778/79			2779/80			2780/81			2781/82			2782/83			2783/84			2784/85			2785/86			2786/87			2787/88			2788/89			2789/90			2790/91			2791/92			2792/93			2793/94			2794/95			2795/96			2796/97			2797/98			2798/99					
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Group unaudited results

For the 24 weeks ended 15th October 1977

[illegible]

EXTRACTS FROM THE BOARD'S STATEMENT :

Silver futures closed 7.30 c up

Silver futures closed 7.30 c up

NEW YORK	Dec. 20—COMEX	COMEX	Dec. 20—COMEX
Silver futures rallied sharply in the morning, then pulled back after a closing minutes and closed.			
Nov. 1976	Mar. 1977	Nov. 1976	Mar. 1977
470.50c	476.70c	470.50c	476.70c
May 1978	Sept. 1978	May 1978	Sept. 1978
507.60c	510.50c	506.30c	509.30c
Nov. 1976	Mar. 1977	Nov. 1976	Mar. 1977
527.50c	534.00c	526.00c	532.00c
May 1978	Sept. 1978	May 1978	Sept. 1978
558.00c	561.00c	556.00c	559.00c
Gold futures closed steadily higher, but fell back after a closing minutes and closed.			
Nov. 1976	Mar. 1977	Nov. 1976	Mar. 1977
191.97c	193.00c	191.97c	193.00c
May 1978	Sept. 1978	May 1978	Sept. 1978
217.00c	218.00c	217.00c	218.00c
Copper futures closed steadily higher, but fell back after a closing minutes and closed.			
Nov. 1976	Mar. 1977	Nov. 1976	Mar. 1977
1.00c	1.01c	1.00c	1.01c
May 1978	Sept. 1978	May 1978	Sept. 1978
1.02c	1.03c	1.02c	1.03c
Zinc futures closed steadily higher, but fell back after a closing minutes and closed.			
Nov. 1976	Mar. 1977	Nov. 1976	Mar. 1977
1.00c	1.01c	1.00c	1.01c
May 1978	Sept. 1978	May 1978	Sept. 1978
1.02c	1.03c	1.02c	1.03c
Nickel futures closed steadily higher, but fell back after a closing minutes and closed.			
Nov. 1976	Mar. 1977	Nov. 1976	Mar. 1977
1.00c	1.01c	1.00c	1.01c
May 1978	Sept. 1978	May 1978	Sept. 1978
1.02c	1.03c	1.02c	1.03c
Aluminum futures closed steadily higher, but fell back after a closing minutes and closed.			
Nov. 1976	Mar. 1977	Nov. 1976	Mar. 1977
1.00c	1.01c	1.00c	1.01c
May 1978	Sept. 1978	May 1978	Sept. 1978
1.02c	1.03c	1.02c	1.03c
Tin futures closed steadily higher, but fell back after a closing minutes and closed.			
Nov. 1976	Mar. 1977	Nov. 1976	Mar. 1977
1.00c	1.01c	1.00c	1.01c
May 1978	Sept. 1978	May 1978	Sept. 1978
1.02c	1.03c	1.02c	1.03c
Lead futures closed steadily higher, but fell back after a closing minutes and closed.			
Nov. 1976	Mar. 1977	Nov. 1976	Mar. 1977
1.00c	1.01c	1.00c	1.01c
May 1978	Sept. 1978	May 1978	Sept. 1978
1.02c	1.03c	1.02c	1.03c
Sulfur futures closed steadily higher, but fell back after a closing minutes and closed.			
Nov. 1976	Mar. 1977	Nov. 1976	Mar. 1977
1.00c	1.01c	1.00c	1.01c
May 1978	Sept. 1978	May 1978	Sept. 1978
1.02c	1.03c	1.02c	1.03c
Phosphorus futures closed steadily higher, but fell back after a closing minutes and closed.			
Nov. 1976	Mar. 1977	Nov. 1976	Mar. 1977
1.00c	1.01c	1.00c	1.01c
May 1978	Sept. 1978	May 1978	Sept. 1978
1.02c	1.03c	1.02c	1.03c
Potash futures closed steadily higher, but fell back after a closing minutes and closed.			
Nov. 1976	Mar. 1977	Nov. 1976	Mar. 1977
1.00c	1.01c	1.00c	1.01c
May 1978	Sept. 1978	May 1978	Sept. 1978
1.02c	1.03c	1.02c	1.03c
Uranium futures closed steadily higher, but fell back after a closing minutes and closed.			
Nov. 1976	Mar. 1977	Nov. 1976	Mar. 1977
1.00c	1.01c	1.00c	1.01c
May 1978	Sept. 1978	May 1978	Sept. 1978
1.02c	1.03c	1.02c	1.03c
Cobalt futures closed steadily higher, but fell back after a closing minutes and closed.			
Nov. 1976	Mar. 1977	Nov. 1976	Mar. 1977
1.00c	1.01c	1.00c	1.01c
May 1978	Sept. 1978	May 1978	Sept. 1978
1.02c	1.03c	1.02c	1.03c
Manganese futures closed steadily higher, but fell back after a closing minutes and closed.			
Nov. 1976	Mar. 1977	Nov. 1976	Mar. 1977
1.00c	1.01c	1.00c	1.01c
May 1978	Sept. 1978	May 1978	Sept. 1978
1.02c	1.03c	1.02c	1.03c
Iron ore futures closed steadily higher, but fell back after a closing minutes and closed.			
Nov. 1976	Mar. 1977	Nov. 1976	Mar. 1977
1.00c	1.01c	1.00c	1.01c
May 1978	Sept. 1978	May 1978	Sept. 1978
1.02c	1.03c	1.02c	1.03c

100.7 54.3 RB Unit F&Acc 101.7 110.2 4.4. 18.7 13.4 G1 Winchester 17.7 19.3
 Lawson Securities. 18.7 16.8 De Overseas 18.7 20.4
 63 George Street, Edinburgh. 033-226 3911

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Property Equity & Life Ass Co.
119 Crawford St, London, W1. 01-495 08
168.7 148.9 R Silk Prop Bnd .. 168.7 ..

1974	68.8	Do S&A 1976	102	170	1400	O'Neal Fund	1.303	100	100
1975	68.8	Do 1975	102	170	1400	O'Neal Fund	1.303	100	100
1976	68.8	Do 1976	102	170	1400	O'Neal Fund	1.303	100	100
1977	68.8	Do 1977	102	170	1400	O'Neal Fund	1.303	100	100
1978	68.8	Do 1978	102	170	1400	O'Neal Fund	1.303	100	100
1979	68.8	Do 1979	102	170	1400	O'Neal Fund	1.303	100	100
1980	68.8	Do 1980	102	170	1400	O'Neal Fund	1.303	100	100
1981	68.8	Do 1981	102	170	1400	O'Neal Fund	1.303	100	100
1982	68.8	Do 1982	102	170	1400	O'Neal Fund	1.303	100	100
1983	68.8	Do 1983	102	170	1400	O'Neal Fund	1.303	100	100
1984	68.8	Do 1984	102	170	1400	O'Neal Fund	1.303	100	100
1985	68.8	Do 1985	102	170	1400	O'Neal Fund	1.303	100	100
1986	68.8	Do 1986	102	170	1400	O'Neal Fund	1.303	100	100
1987	68.8	Do 1987	102	170	1400	O'Neal Fund	1.303	100	100
1988	68.8	Do 1988	102	170	1400	O'Neal Fund	1.303	100	100
1989	68.8	Do 1989	102	170	1400	O'Neal Fund	1.303	100	100
1990	68.8	Do 1990	102	170	1400	O'Neal Fund	1.303	100	100
1991	68.8	Do 1991	102	170	1400	O'Neal Fund	1.303	100	100
1992	68.8	Do 1992	102	170	1400	O'Neal Fund	1.303	100	100
1993	68.8	Do 1993	102	170	1400	O'Neal Fund	1.303	100	100
1994	68.8	Do 1994	102	170	1400	O'Neal Fund	1.303	100	100
1995	68.8	Do 1995	102	170	1400	O'Neal Fund	1.303	100	100
1996	68.8	Do 1996	102	170	1400	O'Neal Fund	1.303	100	100
1997	68.8	Do 1997	102	170	1400	O'Neal Fund	1.303	100	100
1998	68.8	Do 1998	102	170	1400	O'Neal Fund	1.303	100	100
1999	68.8	Do 1999	102	170	1400	O'Neal Fund	1.303	100	100
2000	68.8	Do 2000	102	170	1400	O'Neal Fund	1.303	100	100
2001	68.8	Do 2001	102	170	1400	O'Neal Fund	1.303	100	100
2002	68.8	Do 2002	102	170	1400	O'Neal Fund	1.303	100	100
2003	68.8	Do 2003	102	170	1400	O'Neal Fund	1.303	100	100
2004	68.8	Do 2004	102	170	1400	O'Neal Fund	1.303	100	100
2005	68.8	Do 2005	102	170	1400	O'Neal Fund	1.303	100	100
2006	68.8	Do 2006	102	170	1400	O'Neal Fund	1.303	100	100
2007	68.8	Do 2007	102	170	1400	O'Neal Fund	1.303	100	100
2008	68.8	Do 2008	102	170	1400	O'Neal Fund	1.303	100	100
2009	68.8	Do 2009	102	170	1400	O'Neal Fund	1.303	100	100
2010	68.8	Do 2010	102	170	1400	O'Neal Fund	1.303	100	100
2011	68.8	Do 2011	102	170	1400	O'Neal Fund	1.303	100	100
2012	68.8	Do 2012	102	170	1400	O'Neal Fund	1.303	100	100
2013	68.8	Do 2013	102	170	1400	O'Neal Fund	1.303	100	100
2014	68.8	Do 2014	102	170	1400	O'Neal Fund	1.303	100	100
2015	68.8	Do 2015	102	170	1400	O'Neal Fund	1.303	100	100
2016	68.8	Do 2016	102	170	1400	O'Neal Fund	1.303	100	100
2017	68.8	Do 2017	102	17					

Stock Exchange Price

Early demand

ACCOUNT DAYS: Dealings Began, Dec 12. Dealings End, Dec 30. § Contrango Day, Jan 3. Settlement Day, Jan 10.

§ Forward bargains are permitted on two previous days.

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